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**Strategy Formation in a Horticultural Advocacy Context:
The Case of New Zealand Kiwifruit Growers**

A thesis
submitted in partial fulfilment
of the requirements for the degree
of
Masters in Management Studies in Agribusiness
at
The University of Waikato
by
KATHERINE LONGMAN



2016

Abstract

This thesis presents a case study research on strategy reformation at New Zealand Kiwifruit Growers Incorporated 2015-2016. The previous strategy of NZ Kiwifruit Growers had not changed since 2006 whilst the kiwifruit industry itself had grown and changed rapidly in the decade. The goal of the review included developing a strategic plan that lifted the performance of the organisation for the benefit of NZ kiwifruit growers. Literature on strategy formation, participatory research, and stakeholder theory, informed the methodology and research outcomes. The data was analysed by describing, classifying, and connecting data through the use of hierarchies, risk matrices, and a stakeholder model that led to the establishment of NZ Kiwifruit Growers strategic plan. Priorities for the organisation included increased monitoring of performance and enhanced communication. Targets were established to rectify a disconnection that was identified during the strategy formation process, between the organisations priorities and the strategic plan caused by ineffective teamwork. This thesis provides a framework for strategy formation that includes the stages of strategic analysis, strategic planning, implementation, and monitoring that can be applied by other industry - good organisations in the horticulture industry.

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Contents

Chapter 1 – Introduction	1
1.1 Background to the thesis	1
1.1.1 About the Kiwifruit Industry	1
1.1.2 About NZ Kiwifruit Growers Incorporated	3
1.2 Structure of the thesis	4
Chapter 2 - Literature Review	6
2.1 Introduction	6
2.2 Strategy formation	6
2.3 Strategy formation in the horticulture industry	12
2.4 Facilitated participatory planning approach	18
2.5 Stakeholder theory	20
2.5.1 Introduction	20
2.5.2 The basis of stakeholder theory	20
2.5.3 Identification, classification, and management of stakeholders	21
2.6 Conclusion	23
Chapter 3 - Methodology	25
3.1 Introduction	25
3.2 Research purpose and objectives	25
3.3 Case study research	26
3.4 Data collection	28
3.4.1 Facilitated Participatory Planning Workshops	29
3.4.2 Questionnaire	30
3.4.3 Inclusive Process	31
3.5 Data analysis	31
3.6 Conclusion	34
Chapter 4 – Results	35
4.1 Introduction	35
4.2 Facilitated participatory planning workshops	35
4.2.1 Pilot	35
4.2.2 Facilitated Participatory Planning Workshops	40
4.3 Questionnaire	57
4.3.1 Demographics	58
4.3.2 Kiwifruit Industry Strategy Project Aspirations	63
4.3.3. Areas of Focus	63

4.3.4 Strategic Plan	67
4.4 Strategic plan.....	68
4.4.1 Risk Analysis	68
4.4.2 NZ Kiwifruit Growers Stakeholders.....	72
4.4.3 Strategic Review Steering Group	79
4.5 Conclusion.....	83
Chapter 5 - Discussion and Recommendations.....	84
5.1 Introduction.....	84
5.2 Reviewing the research objectives	84
5.2.1 Role.....	85
5.2.2 Gaps.....	87
5.2.3 Structures, Job Descriptions, Political Relationships, Industry Participants and Activities.....	87
5.3.4 Priorities	91
5.3.5 Risks.....	94
5.3.6 Strategic Plan	96
5.3 The future and recommendations.....	98
5.4 The proposed framework.....	102
5.5 Concluding statement.....	107
References.....	109
Appendices	113
Appendix A – Discussion guide	113
Appendix B – Information sheet.....	117
Appendix C – Questionnaire.....	119
Appendix D – Draft of work plan.....	128

List of Tables

Table 1 Focus Group Participants.....	30
Table 2 Pilot SWOT Analysis 26 August 2015	36
Table 3 Future Focus of NZ Kiwifruit Growers	51
Table 4 Strategy of NZ Kiwifruit Growers - Mission Statement	57
Table 5 Questionnaire Respondents Selection of Core Role of NZ Kiwifruit Growers	67
Table 6 NZ Kiwifruit Growers Activities and Targets	72
Table 7 NZ Kiwifruit Growers Stakeholders	78
Table 8 NZ Kiwifruit Growers Strategic Plan Refinement.....	79

List of Figures

Figure 1 The design school model (Mintzberg, 1994)	7
Figure 2 Four processes of strategy formation (Mintzberg, 2007).....	8
Figure 3 Four basic forms of organisations (Mintzberg, 2007)	9
Figure 4 Strategy process as an art, craft, and science triangle	10
Figure 5 PipfruitNZ Strategic Formation Process(PipfruitNZ, 2013).....	13
Figure 6 PipfruitNZ Strategic Plan Outcomes (PipfruitNZ, 2013)	15
Figure 7 Growth Strategy (Horticulture New Zealand, 2009)	17
Figure 8 Hierarchical Approach (Dodge & Bennett, 2011)	18
Figure 9 Participatory Approach – the inclusive process (Dodge & Bennett, 2011).....	19
Figure 10 Stakeholder typology based on power, legitimacy and urgency (Source: Mitchell et al. (1997))	23
Figure 11 Top of the Mind Feelings about NZ Kiwifruit Growers.....	42
Figure 12 Strengths of NZ Kiwifruit Growers.....	44
Figure 13 Weaknesses of NZ Kiwifruit Growers.....	46
Figure 14 Opportunities for NZ Kiwifruit Growers.....	48
Figure 15 Threats for NZ Kiwifruit Growers.....	50
Figure 16 Questionnaire Respondents Orchard Location/ Locations.....	59
Figure 17 Questionnaire Respondents Age	60
Figure 18 Questionnaire Respondents Growing Method/ Type	61
Figure 19 Questionnaire Respondents Key Cultivars	61
Figure 20 Questionnaire Respondents to Orchard Ownership Type.....	62
Figure 21 Questionnaire Respondents Orchard Size.....	63
Figure 22 NZ Kiwifruit Growers Organisational Focus Areas	65
Figure 23 NZ Kiwifruit Industry Areas of Focus.....	66
Figure 24 NZ Kiwifruit Growers Risk Matrix	69
Figure 25 NZ Kiwifruit Industry Risk Matrix	70
Figure 26 Proposed Framework for Strategic Planning for Advocacy Organisations in the NZ Horticulture Sector.....	105

Chapter 1 – Introduction

1.1 Background to the thesis

1.1.1 About the Kiwifruit Industry

Horticulture is a vital part of the New Zealand economy, and is currently the fastest growing agricultural exporter in the country (Ministry for Primary Industries, 2016). The kiwifruit industry is an important aspect of the horticulture sector, earning over \$1.7billion in sales in 2016, and contributing more than 20% to the Gross Domestic Product (GDP) of the Bay of Plenty region (Hughes, 2004). The most globally recognised cultivar of green kiwifruit, named 'Hayward', was bred in New Zealand by Hayward Wright in 1927. Hayward's commercial beginnings in New Zealand started in the 1960's and experienced rapid growth in the mid-1980s (Zespri, 2004). In 1981 there were 23,000 tonnes of kiwifruit exported, and by 1987 exports had risen to 203,000 tonnes. Over-production, failing quality assurance, and a dramatic rise in the value of the New Zealand dollar started debate between growers about the benefits of having one exporter for NZ kiwifruit over having multiple exporters. A referendum was held in 1988 whereby 84% of growers voted in favour of a Kiwifruit Marketing Board with statutory powers to buy all kiwifruit that was to be exported (Warrington & Western, 1990).

The NZ Kiwifruit Marketing Board came into operation in the 1989/1990 season (Willis, 1994). In the 1992/1993 season the NZ Kiwifruit Marketing Board over-paid growers, resulting in significant debt. As a result of what had happened, the industry conducted a three-stage review that led to the establishment of NZ Kiwifruit Growers Incorporated, to represent the interests of growers, the creation of a separate marketing and sales organisation (now known as Zespri), and the establishment of collaborative marketing (Kilgour, Saunders, Scrimgeour, & Zellman, 2008).

In 2000 Zespri Group Ltd was corporatised and all growers became shareholders with the same amount of shares as the number of trays they produced. No restrictions were placed on shareholding and growers who left the industry were able to retain their shares. In 2001 a voting cap was

The Case of New Zealand Kiwifruit Growers

introduced which meant only shares that matched production held voting rights.

There was not another significant review of the Kiwifruit Industry, until the Kiwifruit Industry Strategy Project (KISP). KISP began in October 2013 with the intent of ensuring a high performing Single Point of Entry¹ that worked for growers, established enduring grower ownership and control of the New Zealand kiwifruit industry and strengthened industry transparency and flexibility, and created a regulatory structure to support the sustainable, long-term growth of the New Zealand kiwifruit industry.

Share ownership in Zespri by producers of NZ kiwifruit is not mandatory. The payment growers receive for their fruit is separate and paid by their packhouse and cool storage company, or a legal entity that is governed by a representative group of growers and negotiates the contract with the packhouse on behalf of the growers that supply the fruit. The packhouses have the direct contract with Zespri that is called the 'Supply Agreement' and are called Registered Suppliers. A Registered Supplier can be one or multiple packhouse companies. The only contract growers have directly with Zespri is called the 'Loyalty Agreement' which exists for the purpose of Zespri having a direct contract with growers and equates to growers receiving \$0.144 for every kilogram of kiwifruit they produce on top of their fruit payment. It is not compulsory for growers to sign the Loyalty Agreement.

In 2016, the NZ Kiwifruit Industry was on track to export 504,000 tonnes of kiwifruit, 150% more volume than in 1987. The industry's growth projections forecast the volume to increase to over 576,000 tonnes, and exceed \$2 billion in sales by 2020 (Zespri, 2016). Zespri's ownership structure has led to the profits from the company not being equally distributed to all growers. Although all growers invest in Zespri, not all

¹ The Single Point of Entry (SPE) is the marketing structure of the NZ kiwifruit industry. The SPE was created by the Kiwifruit Industry Restructuring Act 1999 and Kiwifruit Export Regulations 1999. This effectively creates a monopsony where there is one buyer (Zespri) for New Zealand produced kiwifruit. The SPE does not apply to NZ and Australian sales. Exporters who are not Zespri, and trade New Zealand kiwifruit outside of Australasia, have gained approval from Kiwifruit New Zealand (KNZ) and are known as Collaborative Marketers. In the Kiwifruit Industry Strategy Project (KISP) referendum, 97% of NZ kiwifruit growers, representing 80% of production, supported the SPE and agreed that it is critical for the future success of the NZ kiwifruit industry.

The Case of New Zealand Kiwifruit Growers

growers own a share of the Plant Variety Rights (PVRs), or share in the profits from Zespri's activities including purchasing fruit in the Northern Hemisphere to sell following the Southern Hemisphere season. The Supply Agreement controls the distribution of wealth to NZ kiwifruit growers but growers are not the signatories to the agreement. NZ kiwifruit growers are not represented by Registered Suppliers or Zespri and require a strong grower advocacy body that represents them.

1.1.2 About NZ Kiwifruit Growers Incorporated

New Zealand Kiwifruit Growers Incorporated is the kiwifruit grower, mandated national representative, kiwifruit growers association. New Zealand Kiwifruit Growers was established as part of the industry restructure in 1993 to represent New Zealand's 2,516 kiwifruit growers, and give growers their own voice in industry and Government decision making. Since 1 April 2012 the organisation has been funded via a commodities levy of 0.9 cents on every tray of kiwifruit exported out of NZ and Australia. Prior to this, NZ Kiwifruit Growers set a budget annually and applied for funding from the NZ Kiwifruit Marketing Board, and then Zespri. This was problematic because the annual agreement was not directly signed by growers, further voluntary funding of the organisation would incur significant cost and would result in non-payers deriving unearned benefits.

NZ Kiwifruit Growers governance body is the Forum. The Forum is made up of 17 Regional and District Representatives, nine Industry Group Representatives, and one Māori Representative. Forum Members must be growers and are elected every three years by all kiwifruit growers, with the next election to be held at the end of 2018. The Forum members in turn elect a Chairperson, Vice Chairperson, and four Executive Committee Members who are supported by three full-time staff.

NZ Kiwifruit Growers forms one corner of the NZ kiwifruit industry 'triangle' while Zespri International and postharvest companies (packing and coolstorage) occupy the other two corners. The 'triangle' meets to form the Industry Advisory Council (IAC) when important and often controversial industry decisions are made. Each corner of the 'triangle' has five votes,

The Case of New Zealand Kiwifruit Growers

and to “pass” controversial decisions, 75% agreement is generally required; however, in most cases the Zespri Board has the constitutional right to make the final decision.

NZ Kiwifruit Growers strategic plan was developed in 2006. Since 2006 there have been many events that have transformed the kiwifruit industry. These include, but are not limited to, the commercialisation of a gold fleshed kiwifruit cultivar in 2000 (Aitken, Kerr, Hewett, Hale, & Nixon, 2007) the Turners and Grower’s campaign against the kiwifruit industry’s marketing structure in 2009, the *Pseudomonas syringae* pv *actinidiae* (Psa) incursion in November 2010 (Greer & Saunders, 2012), and the Kiwifruit Industry Strategy Project referendum in March 2015.

The strategic review of NZ Kiwifruit Growers is an outcome of the Kiwifruit Industry Strategy Project (KISP). The project was split into seven areas and included a group focused on ‘Industry Governance’, that recommended fundamental changes be made to the structure of NZ Kiwifruit Growers, so that it may remain relevant and protect the interests of growers as the industry moves into a period of exponential growth. In March 2015, growers voted in the KISP Referendum and these changes were supported by 94% of growers who voted. This resulted in a reduction in elected and appointed Grower Representative Forum Members, from 37 to 27 (10 December 2015). The remaining recommendations of the KISP Industry Governance Group will be incorporated into the strategic review which are: an increased focus on grower equity; enhanced supply chain performance; monitoring of Zespri and the performance of the industry’s marketing structure (the single point of entry); and reporting on all of the above, to growers.

The strategic review will determine how the recommendations of the Kiwifruit Industry Strategy Project will be implemented in NZ Kiwifruit Growers and create a framework for other horticultural organisations planning to undertake a strategic review.

1.2 Structure of the thesis

This thesis is structured into five chapters. The first chapter provides the background to the thesis including a brief overview of the kiwifruit industry

The Case of New Zealand Kiwifruit Growers and NZ Kiwifruit Growers. The significance of a strategy for NZ Kiwifruit in the context of the kiwifruit industry's structure is reflected.

Chapter 2 provides the reader with a theoretical base for the research. The chapter begins with a review of the literature on strategy formation. The chapter covers strategy formation in the horticulture industry and the use of facilitated participatory planning workshops and their use in strategy formation. The final section in the chapter evaluates stakeholder theory and its relevance to NZ Kiwifruit Growers.

Chapter 3 contains the purpose and objectives of the research. The research purpose and objectives are followed by a discussion about the different research approaches underpinning this thesis. The next sections cover the specific methods for data collection and analysis used, and employ the learnings obtained in the literature review.

Chapter 4 presents the findings from the data collection and analysis conducted for this project. The first section of the chapter provides a summary of the findings from the facilitated participatory workshops. The second section provides a summary of the results from the questionnaire. The final section brings the sections together to formulate the strategic plan for NZ Kiwifruit Growers.

Chapter 5 is the concluding chapter and utilises the results to review the research objectives that were set for this thesis. This is followed by a discussion addressing the future of NZ Kiwifruit Growers. The final section of the chapter outlines the recommendations which include a framework that may be used by horticultural organisations to develop strategy. Finally, concluding statements are made regarding the NZ Kiwifruit Growers Strategic plan.

Chapter 2 - Literature Review

2.1 Introduction

This chapter contains the theoretical base on which this research has been conducted. The chapter begins with a review of the literature in strategic formation and reviews the origins of strategic planning followed by examples of strategy formation in the horticulture industry. Frameworks used by other horticultural organisations and the facilitated participatory planning approach, described in this chapter, were used to guide the data collection in this research. The final section in this chapter examines stakeholder theory. The literature is reviewed and a discussion is included as to how stakeholder theory has been utilised in this research. The chapter consists of six sections which are: strategy formation; strategy formation in the horticulture industry; facilitated participatory planning approach; stakeholder theory; and conclusion.

2.2 Strategy formation

The origins of economic strategic planning date back to the 1950's and 1960's (Mintzberg, 1990). Strategic planning refers to collecting and analysing data to be used for strategic thinking. Strategic planning has since been incorporated into strategic management which includes designing a firm's capabilities to support new strategies and managing resistance to change throughout implementation (Ansoff & McDonnell, 1988). The 'design school model', otherwise known as the Strengths, Weaknesses, Opportunities, and Threats analysis (SWOT analysis) is one of the most commonly taught tools for undertaking strategic analysis.

The Case of New Zealand Kiwifruit Growers

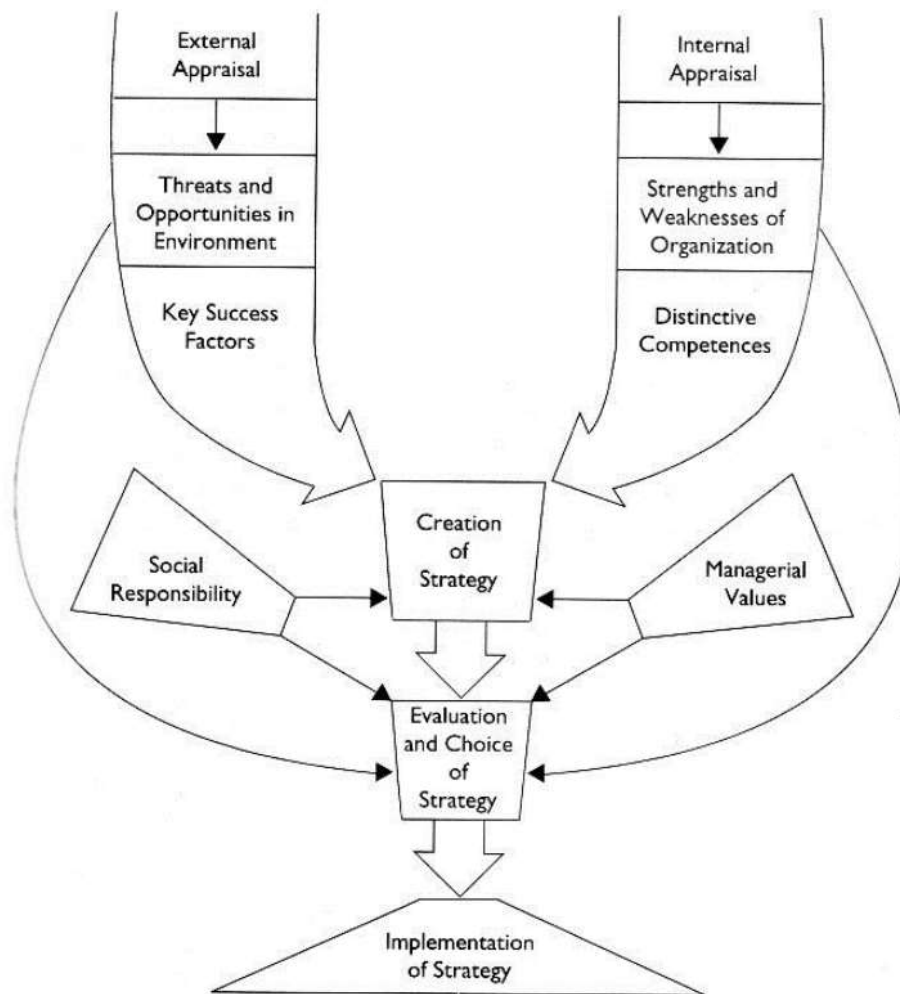


Figure 1 The design school model (Mintzberg, 1994)

The original concept of matching internal and external factors came from Philip Selznick in 1957, was developed further into the SWOT analysis by Kenneth R. Andrews in 1963, and since popularised by the Harvard Business School (Mintzberg, 1990). The SWOT analysis will be used in this study; however, over the years the SWOT analysis has received appropriate critique.

Mintzberg (1990) believes that the SWOT analysis and its associated teachings dominate the world of teaching and practise to the point where there has become 'one best way' of strategic management. The SWOT analysis is used as part of the well-known Harvard Business Case method of strategy formation. In this method, students read a paper on an organisation, select and order data - including undertaking a SWOT analysis, and then debate what direction the company should take (Christensen, Andrews, Bower, Hamermesh, & Porter, 1982). Strategic

The Case of New Zealand Kiwifruit Growers

management is said to have become 'oversimplified', where in truth, it is a long, subtle, and difficult process of learning (Mintzberg, 1990). Mintzberg and Waters (1985) argue that there are many different types of strategy formation on a continuum between deliberate plans and emergent patterns. Further, some managers see strategy as a position (Porter, 1980) and others see strategy as a perspective (Drucker, 1970). Deliberate *plans* and emerging *patterns* have been combined with broad *perspective* and tangible *positions* to form the Mintzberg (2007) four processes of strategy formation depicted in Figure 2.

		Strategy Process as	
		Deliberate Plan	Emergent Patterns
Strategy Content as	Broad Perspective	Strategic Planning	Strategic Venturing
	Tangible Positions	Strategic Visioning	Strategic Learning

Figure 2 Four processes of strategy formation (Mintzberg, 2007)

Further, different types of strategy formation processes are linked to the configuration of the organisation. There are four basic organisation configurations named: the entrepreneurial organisation; the machine organisation; the adhocracy organisation; and the professional organisation. Each of the configurations can be partly explained using Figure 3 Four basic forms of organisations (Mintzberg, 2007).

		Internal Power	
		Centralized	Decentralized
External Environment	Stable	Machine Organization	Professional Organization
	Dynamic	Entrepreneurial Organization	Adhocracy Organization

Figure 3 Four basic forms of organisations (Mintzberg, 2007)

The descriptions of the organisations taken from (Mintzberg, 2007) are as follows:

- *Machine Organisation*: produces mass, standardised products or services with unskilled labour, those with the technical skills hold governance positions; generally large and mature and found in stable environments;
- *Professional Organisation*: dependant on highly skilled autonomous workers, subject to professional norms; mostly provides standardised services in stable settings;
- *Entrepreneurial Organisation*: controlled personally by a single leader or a tight team; generally found in start-ups, small organisations, and turnarounds that require firm leadership, and in environments that are competitive, or dynamic in other ways;
- *Adhocracy Organisation*: organised around teams of experts working on projects to produce novel outputs, generally in highly dynamic setting.

The Case of New Zealand Kiwifruit Growers

By overlaying Figure 2 and Figure 3 the processes that are used for strategy formation are matched with the organisation configurations. The machine organisation uses a deliberate plan to reach a tangible position otherwise known as strategic planning whilst the professional organisation utilises emergent patterns to reach a tangible position, known as strategic venturing. The entrepreneurial organisation has a deliberate plan and a broad perspective to formulate strategy called strategic visioning, and the adhocracy organisation uses a broad perspective, and emerging patterns to formulate strategy called strategic learning. Strategic planning, strategic venturing, strategic visioning, and strategic learning all encompass different levels of insight (art), analysis (science) and experiences (craft). The four processes of strategy formation and organisation configurations have been modified from Mintzberg (2007) by being combined in Figure 4 to help depict the relationship between the processes, configurations and the strategy process as an art, craft and science.

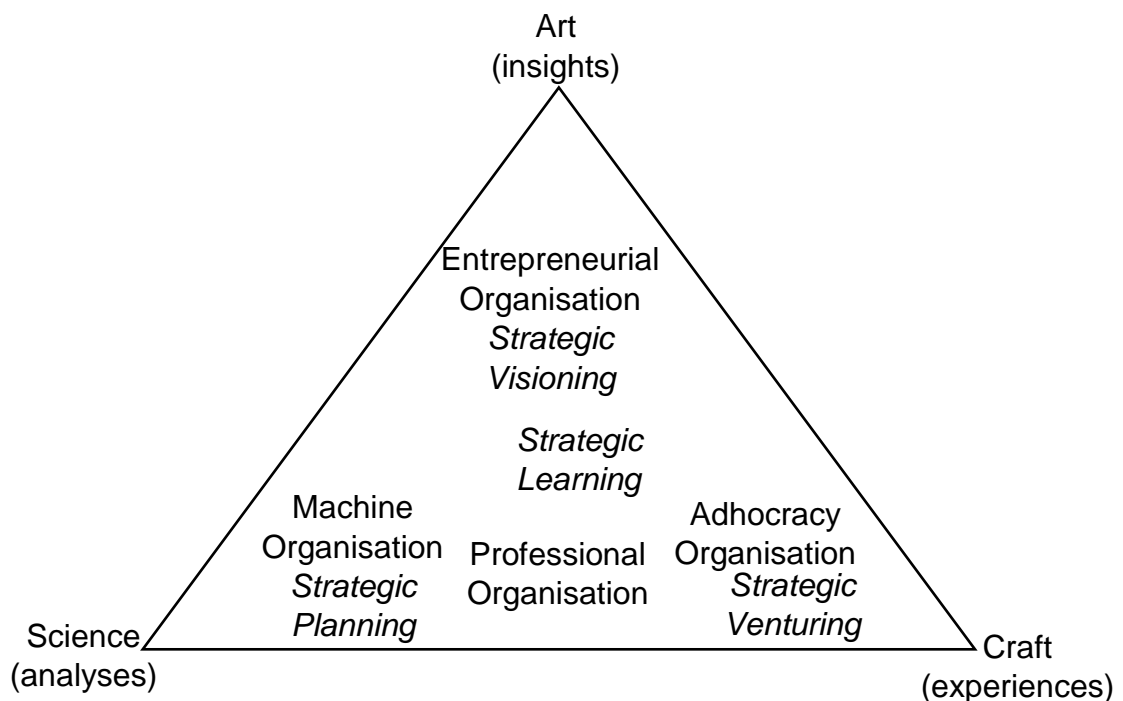


Figure 4 Strategy process as an art, craft, and science triangle

Strategic planning is firmly in the science corner of the triangle whilst strategic visioning, learning and venturing - all sit on the right side of the triangle between art and craft. Managers in machine organisations will analyse programming and processes to make and justify decisions. In contrast, the entrepreneurial organisation is unlikely to have the

The Case of New Zealand Kiwifruit Growers

information to analyse or the resources to do the analysis - many decisions will be based on instinct. Strategic planning will still be undertaken by entrepreneurial organisations as well as professional and adhocracies just to a lesser extent than machine organisations. Mintzberg (2007) tracked different organisations over time and showed how their different configurations moved between science, art and craft, through their phases of initiation, development and renewal. Although interesting, the most valuable learning for this study is that the SWOT analysis cannot be used solely as a strategic planning tool and is not the process for forming strategy, it needs to be combined with experience and insight particularly in adhocracy and entrepreneurial organisations. In the words of Mintzberg (2007) "the heart of strategy formation can be found in learning from tangible experiences and visioning from creative insights". The strategy of any organisation cannot be deduced from sitting in a room analysing information. To formulate a strategy you have to learn about the industry, immerse yourself in the details, get many people involved, and over time, an effective strategy will be developed (Mintzberg, 1990).

New Zealand Kiwifruit Growers has many similarities to adhocracy and entrepreneurial organisations. The kiwifruit industry is dynamic in that there is regularly an urgent matter to attend to. Dependant on the activity, the New Zealand Kiwifruit Growers organisational power can be centralised or decentralised. To formulate a strategy, New Zealand Kiwifruit Growers will need to leverage off the experiences and insights of their members.

2.3 Strategy formation in the horticulture industry

The design school model has influenced numerous models and frameworks that have been used for strategy formation in the horticulture industry. Strategies conducted by the national pipfruit (Cullwick, 2006; PipfruitNZ, 2013), citrus (Omundsen, Curtis, Harty, Jones, & Smith, 1998), onions and horticulture (Horticulture New Zealand, 2009), grower associations have all undertaken a situation analysis at the start of the formation of their strategies. In some cases, the situation analysis has been followed by a strategic analysis and then implementation and monitoring. The strategies of grower associations are not generally available to the public and their impacts are not openly documented; however, many of the horticultural industries themselves have been performing. For example, the PipfruitNZ strategy developed in August 2013 has the objectives of: clearly defined roles for PipfruitNZ; principles to guide the consistency of its decision making; operational learning's on how PipfruitNZ can be more effective; and prioritisation on the areas it needs to focus on and through the above, ensure PipfruitNZ is as effective as possible in supporting the industry to maximise sales and profitability. To achieve these objectives, PipfruitNZ undertook the process displayed in Figure 5 below.

The Case of New Zealand Kiwifruit Growers

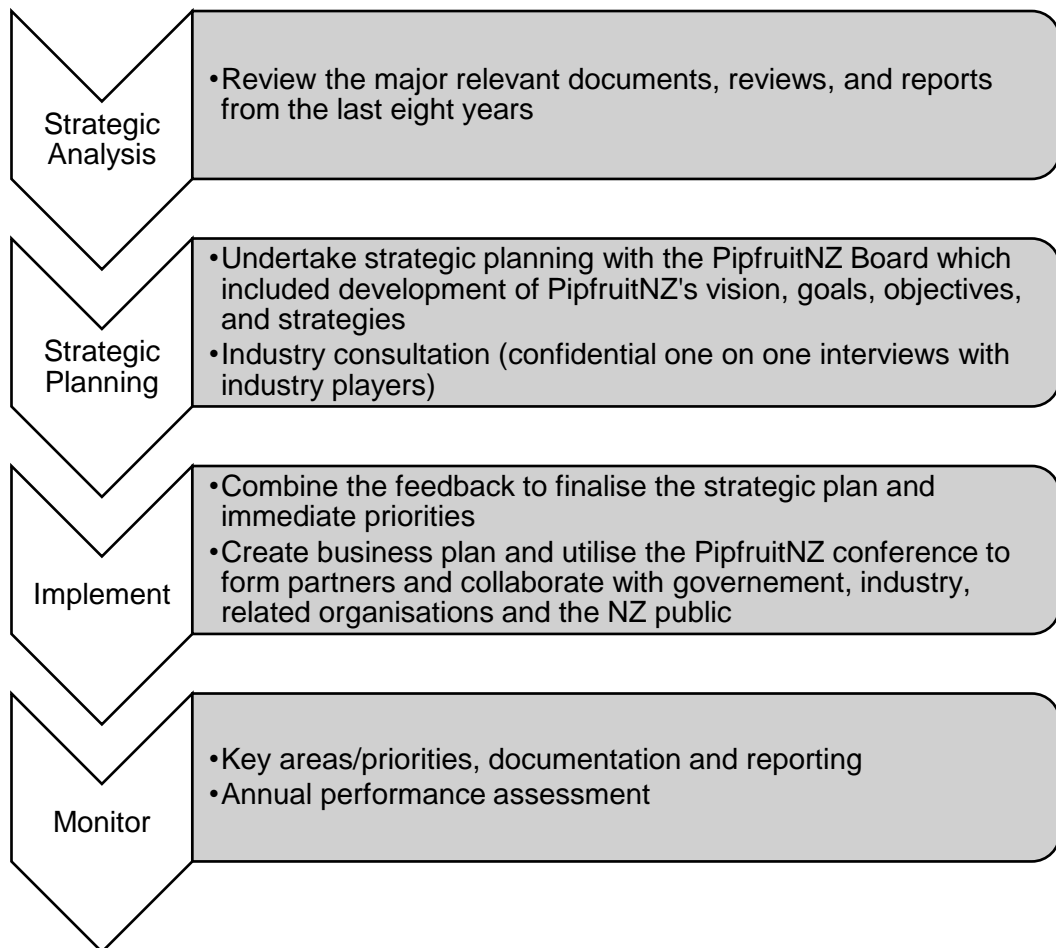


Figure 5 PipfruitNZ Strategic Formation Process(PipfruitNZ, 2013)

The PipfruitNZ strategy formation process as outlined in Figure 5 derived Figure 6 below.

Objective	Major Outcomes				
Clearly defined roles for PipfruitNZ	Leadership	Representation	Collaboration	Communication	
Improved operational effectiveness of PipfruitNZ	Clarity <ul style="list-style-type: none"> • Roles • Strategic Plan • Principles for decisions 	Prioritisation <ul style="list-style-type: none"> • Evaluation process for markets, so resource investment matches value • Criteria for decisions on allocation of resources • Courage of knowing what NOT to do 	Transparency <ul style="list-style-type: none"> • Clear process and criteria for making decisions • Documentation of decisions 	Accountability <ul style="list-style-type: none"> • Business case plans • Project plans • Return on investment process for initiatives and projects • Reporting to the Board • Annual performance assessment • Two independent directors 	Engagement <ul style="list-style-type: none"> • Increased flexibility to access relevant information • Improved communication • Structured consultation and feedback mechanisms • Increased face-to-face communication • Consistency of priorities and messages
Strategic Priorities:	1. Increased market effectiveness and improving terms of market access <ul style="list-style-type: none"> • Accessing prioritised new markets • Maintaining and improving prioritised existing markets • Responding cost effectively to crisis • Future proofing the industry 				

	<ol style="list-style-type: none"> 2. Increased focus on Asia for market access and improvement, helping the industry best understand the requirements of Asia relationships and customer requirements 3. Improved relationships with the Ministry of Primary Industries, Ministry for Foreign Affairs and Trade and Horticulture New Zealand 4. Defining, telling and helping industry tell the New Zealand apple story 5. Grow and improve the way PipfruitNZ generates and provides information of value to the industry 6. Recognised Seasonal Employer retained with an increase in the cap 7. Working with industry and related horticultural groups in being better able to attract, grow and retain talent 8. Identify the most cost effective ways to access the commercialisation of new varieties
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Figure 6 PipfruitNZ Strategic Plan Outcomes (PipfruitNZ, 2013)

The Case of NZ Kiwifruit Growers

Apple and pear export volumes and values are forecast to increase steadily over the next two years. The export value of apples and pears are expected to increase from \$571 million in 2015 to \$723 million by 2017 (Ministry for Primary Industries, 2016). Expansion into Asia, one of PipfruitNZ's strategic priorities, has been identified as a contributing factor to increased export prices (Ministry for Primary Industries, 2016).

The founding strategy in the horticulture industry is the 'Growing a New Future' horticulture Industry strategy 2009-2020. Developed by Horticulture New Zealand and New Zealand Trade and Enterprise, the strategy saw a shift in focus from individual product group strategies or focus on a single organisation, to a strategy with a whole new sector approach. The strategy formation process was structured to answer how the industry is performing, why the industry must change, how the industry will meet future demands, and what must be done to achieve its goal of NZ\$10 billion by 2020. As part of the strategy formation process, a group of individuals representing the horticulture industry's product groups were interviewed face to face using a targeted questionnaire. The questionnaire aimed to test the hypothesis:

“That the growing demand for quality food that is sustainability-managed, presents New Zealand growers with the opportunity to significantly enhance returns by providing fresh or processed product that is packaged, differentiated; and prices to meet the needs of discerning customers willing to pay a premium. New Zealand growers are determined to find ways to realistically, ethically and fairly increase their share of the value captured at all points in the value chain” (Horticulture New Zealand, 2009).

A gap analysis of the industry's information was undertaken to identify key information trends and information requirements to inform opportunity identification. Gap analysis was first developed by Ansoff (1965) and is the gap between where an organisation wants to be and where it is now. Gap analysis will be useful in the strategy formation process in this study. The interviews, and gap analysis, identified information needs that led to commissioning research projects in the areas of commercialisation models and an assessment of consolidated marketing intelligence. The findings of

The Case of NZ Kiwifruit Growers

the strategy formation process was that there were widely held views about the challenges and opportunities in horticulture, and that the industry can reach the goal of becoming a NZ\$10billion industry by 2020. Value drivers were developed for four strategic outcomes that were linked to actions and suggested measures. The four strategic outcomes and actions are captured in Figure 7 and shows the core elements of the industry's growth strategy. Radiated out from the centre in the four corners of Figure 7 are the four outcomes of: build global competitiveness; dominate product categories within target markets; create value, commercialise products and control intellectual property; and set the standard for sustainably produced products.

Working inwards, are the environmental factors which are enablers or impediments, and the actions to be taken to achieve scale.

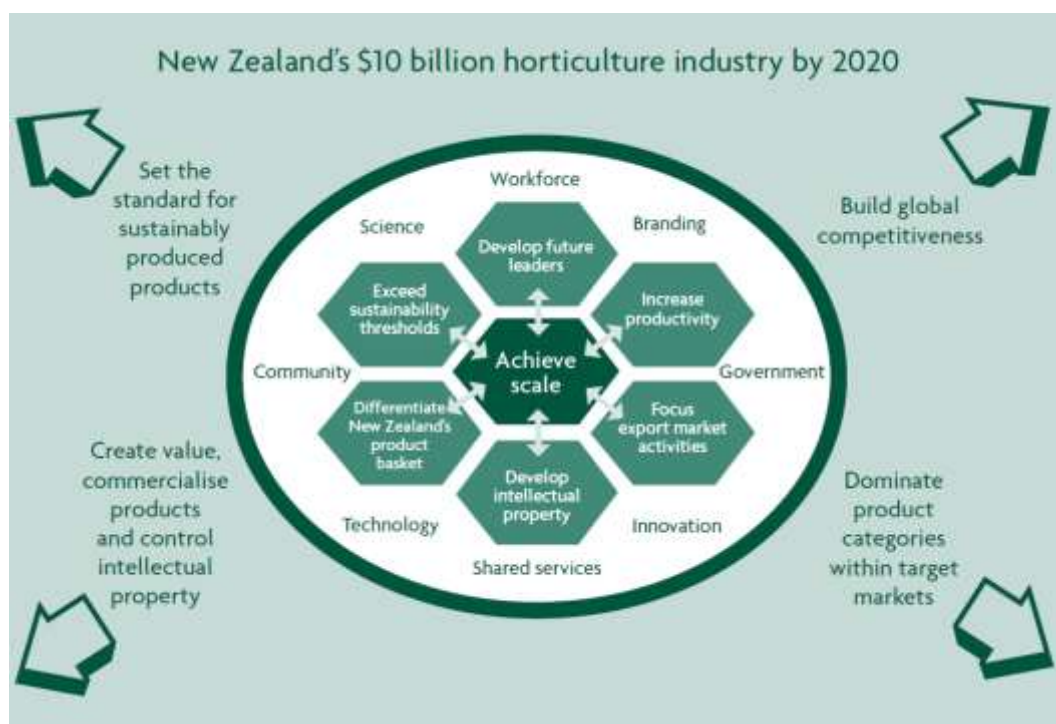


Figure 7 Growth Strategy (Horticulture New Zealand, 2009)

This study will not go into the measures that were developed for this particular strategy, but acknowledges that measures are an important part of the strategy formation process, and will be produced as part of this study.

2.4 Facilitated participatory planning approach

A key aspect of the 'Grow a New Future' strategy has been maintaining stakeholder support and commitment to the process. These are commonly identified obstacles in the implementation of strategy formation (Mintzberg, 1994). To avoid this, a consultative or participatory approach is used. Dodge and Bennett (2011) suggest that stakeholders who have no sense of ownership are less likely to be supportive and might oppose a plan. A facilitated participatory approach prevents status overpowering alternative voices which is a common theme in unilateral or hierarchical approaches as shown in Figure 8 below.

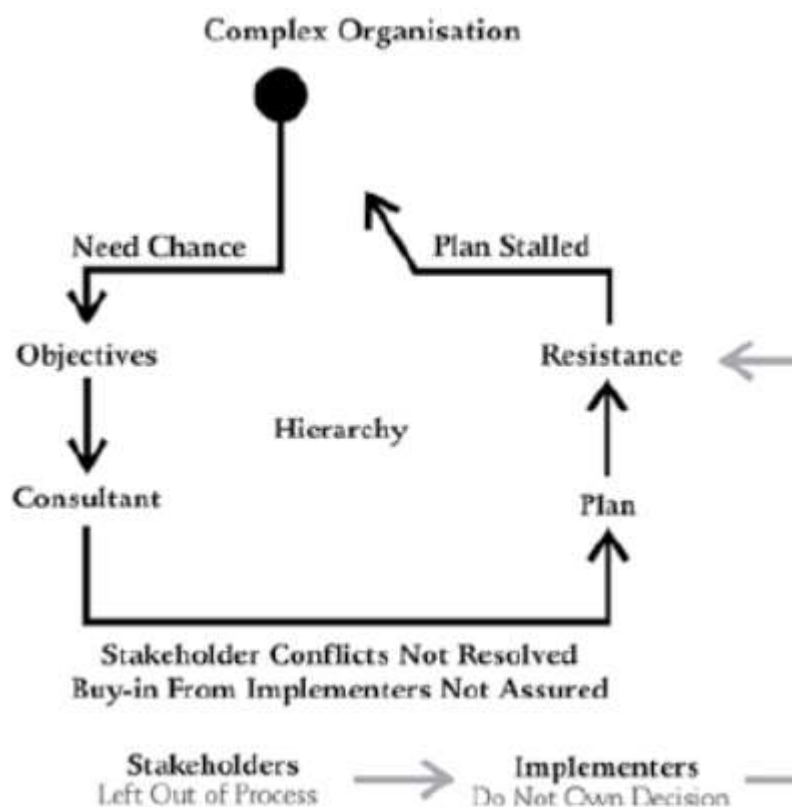


Figure 8 Hierarchical Approach (Dodge & Bennett, 2011)

A facilitated participatory approach (see Figure 9 below) gets a better generation of ideas, identifies conflicts with other stakeholders, and identifies other issues that may not have been otherwise identified. A trained facilitator is able to get the best out of participants and has the ability to ask incremental questions that can help solve complex issues.

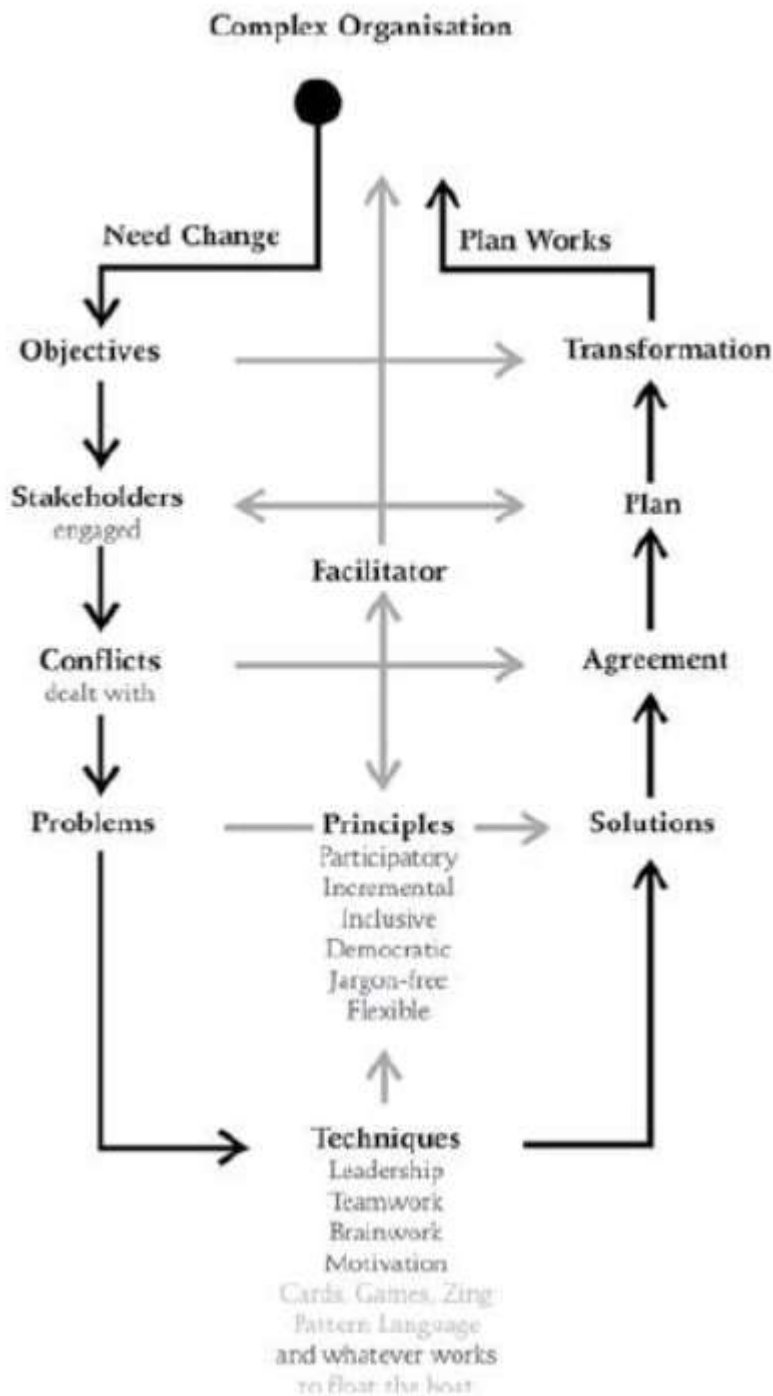


Figure 9 Participatory Approach – the inclusive process (Dodge & Bennett, 2011)

To undertake an effective collaborative planning process there needs to be mediation of differences in opinions, value and levels of power of stakeholders (Forester, 1999). It is therefore necessary to discuss an important field of theory highly relevant to the process of collaboration; stakeholder theory.

2.5 Stakeholder theory

2.5.1 Introduction

In the view of Friedman (1962) and Jensen (2001), stakeholders are those with a direct economic relationship with a business. However, for more than 30 years theorists of stakeholder theory have doubted the capitalist concept that corporations are solely the property of their owners. The capitalist concept does not take into account diverse and shifting business relationships, dependant on the environment being operated in, and still being able to create value and trade. Stakeholder theory is a new type of capitalism that is about value creation and trade, and how a business works at its best, and how it could work (Freeman, Harrison, & Wicks, 2010).

Areas of stakeholder theory that have a significant amount of literature are: the search for the basis of stakeholder theory; and how stakeholders are identified, classified and managed. The first part of this section will rely upon Donaldson and Preston (1995) to identify the different ways of justifying the existence of stakeholder theory. Following on from this, frameworks and theories for defining who stakeholders are, and how they are classified and managed, will be explored. The review of stakeholder theory is not intended to be exhaustive, but rather provide a context so that readers can understand how stakeholder theory is relevant to the objectives of this research. Particularly the objective of defining New Zealand Kiwifruit Growers role within the New Zealand kiwifruit industry.

2.5.2 The basis of stakeholder theory

Donaldson and Preston (1995) point out that the vast amounts of literature on stakeholder theory is diverse and in many cases is explained in different ways using contradictory evidence and arguments. To remedy this, Donaldson and Preston (1995) split the different theoretical explanations and justifications for stakeholder theory into four types including: descriptive/empirical; instrumental; normative; and contrasting/combining approaches.

The Case of NZ Kiwifruit Growers

The concepts in *descriptive* justifications correspond to observed reality and are argued to be facts that support stakeholder theory, as opposed to being the basis of stakeholder theory. For example, the Companies Act of New Zealand does not limit the power of a director to make provision for the interests of their employees in their decision making ("Companies Act", 1993). *Instrumental* justifications for stakeholder theory suggest that there is a relationship between stakeholder strategies and business performance. Donaldson and Preston (1995) argue that there is no empirical evidence that optimising stakeholder strategies will maximise an organisation's business performance. Freeman et al. (2010) believes that an organisation trying to maximise profits is counterproductive because the drivers of value are stakeholder relationships. Collins and Porras (1997) have shown organisations with purpose and values beyond profit maximisation are profitable. Donaldson and Preston (1995) suggest analytical arguments go part way to justifying the stakeholder model; however, they are not sufficient without the use of non-instrumental or normative arguments. *Normative* arguments are considered by (Donaldson & Preston, 1995) to be the best justification for the basis of stakeholder theory. A normative argument is that stakeholders are identified by their interest in the organisation and all stakeholders have intrinsic value. Intrinsic value is a philosophic and ethical value that an object just has, like happiness. For the purposes of this thesis, the most important aspect to recognise is that stakeholder relationships are relevant to how an organisation works at its best, and helps to define its purpose.

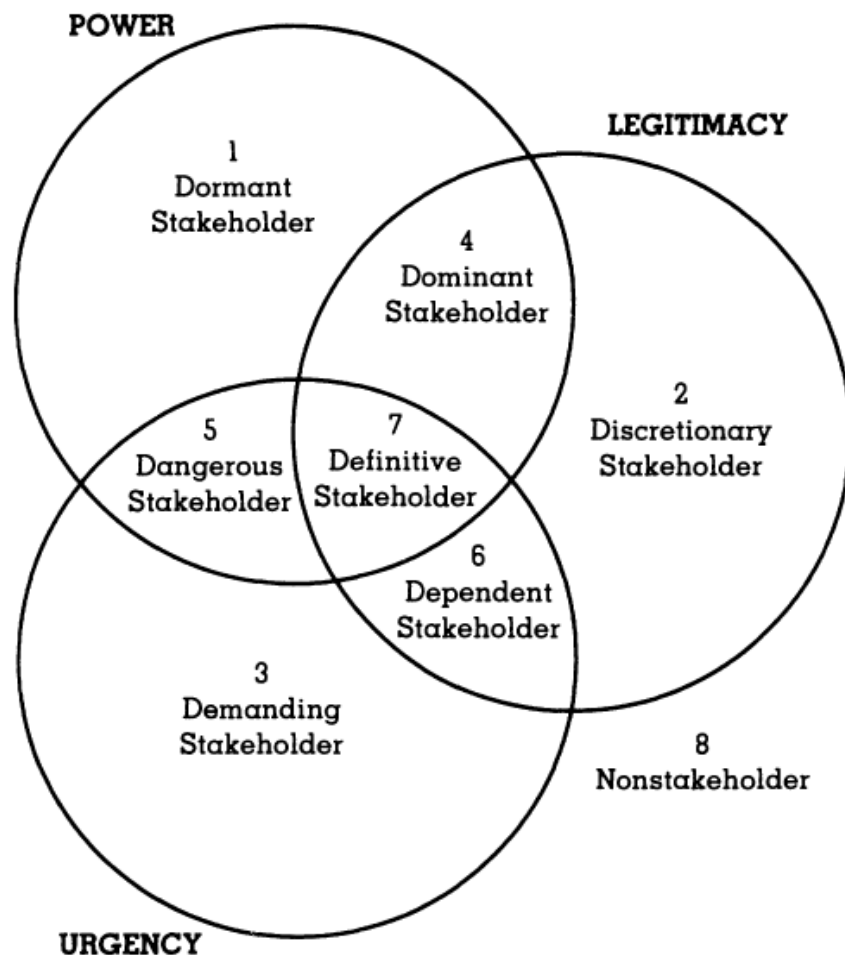
2.5.3 Identification, classification, and management of stakeholders

To be able to inform the organisation's purpose and serve the interests of stakeholders, stakeholders first need to be identified. Stakeholders to most businesses means paying attention to customers, employees, suppliers, communities and financiers (Freeman et al., 2010). Freeman uses a broad definition of stakeholders as 'anyone who can affect or is affected by the achievement of the organisations objectives', that enables a significant number of individuals or organisations to be considered stakeholders. This is in stark contrast to the view of (Friedman, 1962) who only recognises stakeholders as those with a direct economic relationship to the firm.

The Case of NZ Kiwifruit Growers

To help identify, classify and manage stakeholders, stakeholder theory frameworks have been developed. One such framework is based on a stakeholder's power, legitimacy and urgency for the purposes of identifying those stakeholders with greatest importance to the managers of the organisation (Mitchell, Agle, & Wood, 1997). In the framework, 'power' means the ability of the stakeholder to influence the organisation.

'Legitimacy' is the legitimacy of the stakeholder's relationship with the organisation. 'Urgency' is the urgency of the stakeholders claim on the organisation. Stakeholders can have one, two or three of the attributes. The greater the number of attributes the more important the stakeholder is to the organisation. As Figure 10 illustrates, stakeholders have further been classified into latent (one attribute), expectant (two attributes), and definitive (three attributes) stakeholders. Latent is comprised of dormant (1), discretionary (2), and demanding (3) stakeholders. Expectant stakeholders are dominant (4), dangerous (5) and dependent (6). The definitive (7) stakeholder is the only stakeholder with three attributes of power, legitimacy and urgency. Mitchell et al. (1997) argue that identifying the stakeholders that fit into these categories will enable an organisation to serve the interests of legitimate stakeholders.



*Figure 10 Stakeholder typology based on power, legitimacy and urgency
(Source: Mitchell et al. (1997))*

To the best of the author's knowledge, stakeholder theory has not been previously applied to the specific context of the New Zealand horticulture sector. Within this thesis, stakeholder theory has been utilised as the basis for defining the role of New Zealand Kiwifruit Growers Inc., and answering the core research question of: how can the performance of NZ Kiwifruit Growers Incorporated be lifted to meet the needs of New Zealand kiwifruit growers?

2.6 Conclusion

The literature on the origins of strategic planning suggest that undertaking a strategic plan is a long and difficult process of learning that cannot successfully be concluded by an individual conducting a SWOT analysis. Different types of organisations have different accessibility to resources

The Case of NZ Kiwifruit Growers

and information that will determine whether decisions can be made using hard data or instinct. Either way, strategic planning requires the experience and insight of those involved in the organisation, and the help of a facilitator to engage with participants, deal with conflict, and use techniques to help solve problems that lead to agreement and a plan for the future. The review of literature on stakeholder theory suggests that the plan goes beyond catering to only those with a direct economic relationship with a firm. The identification of stakeholders with an interest in the organisation is an important aspect of strategic planning because all stakeholders have intrinsic value to the firm and will support organisational performance. Frameworks used by other horticultural organisations and the facilitated participatory planning approach described in this chapter informed the methodology used for this research.

Chapter 3 - Methodology

3.1 Introduction

This chapter contains the purpose and objectives of the research. The research purpose and objectives are followed by a discussion about the different research approaches underpinning this thesis. Specific methods for data collection and analysis used in this research are discussed, and employ the learnings obtained in the literature review such as the use of the data collection method 'facilitated participatory planning workshops'. The chapter consists of six sections which are: research purpose and objectives; case study research; data collection; data analysis; and conclusion.

3.2 Research purpose and objectives

The goal of this research for NZ Kiwifruit Growers was to develop a strategic plan that lifts NZ Kiwifruit Growers performance for the benefit of NZ kiwifruit growers.

To achieve this goal the objectives of the research were:

1. To define NZKGI's role within the NZ kiwifruit industry.
2. To identify the gaps between NZKGI's current function and the aspirations of the Kiwifruit Industry Strategy Project.
3. To analyse NZKGI's structures, job descriptions, political relationships, industry participants and activities to leverage and expand impact and return for growers.
4. To identify NZKGI's priorities.
5. To identify risks and how to mitigate kiwifruit growers future risks.
6. To review the current vision, mission, and values of NZKGI ascertaining whether change is required.

The goal of the researcher was that this research would have wider benefits than solely providing a strategic plan for New Zealand Kiwifruit Growers. The research would also contribute to literature in strategy formation in the context of advocacy organisations in the New Zealand horticulture industry. The New Zealand Kiwifruit Growers' experience could

The Case of NZ Kiwifruit Growers

provide a blueprint for other advocacy organisations wishing to develop a strategic plan for their organisation.

3.3 Case study research

To reach the research objectives outlined above, the research has taken on an exploratory orientation. Insight was needed to understand the NZ Kiwifruit Growers' organisation to be able to measure and describe concepts. Both of these tasks are suited to qualitative research (Zikmund, 2010). Of the 12 specialised qualitative methods outlined by Yin (2016), there were two that were most appropriate for this research. These were case study research and action research.

Action research is undertaken when people, or in this case an organisation, wants to improve their understanding of their practice in order to improve their dealings with others (McNiff & Whitehead, 2001). Action Research raises the question "How can NZ Kiwifruit Growers improve its work?" To answer this question, the work of NZ Kiwifruit Growers would be studied, and ways to improve it, imagined. Inevitably, improving the work of NZ Kiwifruit Growers requires participation from members of NZ Kiwifruit Growers. Therefore the research approach for this study could be further defined as Participatory Action Research (PAR). PAR is a type of action research that involves research partners in the knowledge-production process (Bergold, Thomas, & Salomon-Hochschule, 2012).

The research question in this investigation is: "How can the performance of NZ Kiwifruit Growers Incorporated be lifted to meet the needs of NZ kiwifruit growers?" The use of a case study as the research approach is also appropriate, due to the research question starting with 'How' and the investigator having no control over the behaviour of growers, and the focus of the research being on present day events (Yin, 2008). Case study research is a well-known approach of qualitative research and can sometimes be stereotyped as being weak and leading to un-confirmable conclusions. Yin defines a case study as "an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not

The Case of NZ Kiwifruit Growers

clearly evident” (Yin, 2003, p. 13). More simply, case studies are the documented history of a particular person, group, organisation, or event where important themes are analysed. For example, the measurement of the frequency of a term (synonym) that is used could discover variables that might provide an explanation to a research question. This is named ‘word association’ and has been used in this research to analyse the data collected. The case study research approach is considered an eclectic qualitative research method (Wolcott, 2009), and enables the researcher to use an array of field research techniques.

The research question is the first factor that determines the choice of research approach. Following the research question, the control that the investigator has over behavioural events and whether it focuses on present day events is also important (Yin, 2008). Both action research and case study research would sufficiently answer the research question and cope with the researcher having little control over behavioural events, and the research being focussed on present day events. One factor that separated the two approaches was the timeframe to conduct each approach. The study needed to be completed within NZ Kiwifruit Growers’ yearly business cycle. In action research a problem is diagnosed, an action is taken, the action then has to be evaluated and the learnings specified (Susman, 1983). The evaluation of the solution is a necessary step in the action research process that was unable to be completed within the timeframe of the study. Sarah et al. (2002) argues that it is more important to finish a cycle of research on time in accordance with organisational cycles, than to finish according to a complete or pure model of research. The case study methodology was able to be completed within the timeframe of the study and participatory methods were still able to be utilised, therefore case study methodology was finally selected for this research.

A case study was selected, also recognising the purpose of the research, the resources available and the nature of questions being asked as outlined in Yin (2008). Although the case study approach was selected there are also elements of other qualitative research approaches utilised. There are no precise lines between research approaches, and inevitability

The Case of NZ Kiwifruit Growers

there are links between them (Zikmund, 2010). For example, the researcher's employment at NZ Kiwifruit Growers suggests that there was clearly an element of ethnography utilised. Meaning, the researcher was highly involved and immersed within the context being studied, enabling discoveries that would have otherwise been unattainable.

3.4 Data collection

Data collection protocols that establish rules around the collection of data were used to ensure that data was collected consistently and bias prevented. Yin (2008) outlines data protocols that enable the achievement of an investigation that is worthy of further analysis. These include protocols on: how informants are contacted; rules for the protection of informants; and importantly, identification of a line of inquiry that needs to be addressed throughout the data collection. These protocols are addressed in this section.

To enhance the credibility of the case study, multiple data sources were utilised (Yin, 2008) and triangulation was deployed to validate findings (Richardson & St. Pierre, 2005). The primary data collection method was facilitated - participatory planning workshops - as described in the literature review. The secondary data collection method was a questionnaire. Monthly from July 2015 through to February 2016 the progress and next steps of the strategy development was reported to NZ Kiwifruit Growers Forum and feedback was obtained.

Stakeholder theory was taken into consideration when deciding upon who the participants of the research would be. As discussed in the literature review, without identification of who an organisations stakeholders are, it is difficult for the organisation to serve the interests of legitimate stakeholders. In this case the informants were NZ kiwifruit growers. The work of Mintzberg (2007), as described in the literature review, informed this decision where it was concluded that to formulate a strategy, NZ Kiwifruit Growers must maximise the leverage off the experience and insights of their members. It was decided that the literature on stakeholder theory would be best served as a framework for the classification and categorisation of data in the data analysis process.

The Case of NZ Kiwifruit Growers

3.4.1 Facilitated Participatory Planning Workshops

A data collection protocol was established for the primary collection method in the form of a discussion guide that can be found in Appendix A – Discussion guide. The discussion guide did not include a scripted set of spoken questions, unlike the questionnaire instrument that was used as a secondary data collection method. The questions raised in the discussion guide were customised to the situation faced at the time of the workshop. Further, much of the discussion guide was held by the researcher as a mental framework as to not bias the data collection and enable the collection of a full variety of data. The proper use of research protocols guided and encouraged proper inquiry (Yin, 2016).

The discussion guide based on the research objectives was formulated by outlining the key areas that needed to be addressed throughout the data collection phase that related to the research objectives. The structured discussion guide compiled a list of topics (Baily, 2006). These topics were:

- Overall current perceptions of NZ Kiwifruit Growers
- Strengths, Weaknesses, Opportunities & Threats
- Future of NZ Kiwifruit Growers
- Exploration of current NZ Kiwifruit Growers performance and Kiwifruit Industry Strategy Project aspirations
- Strategy of NZ Kiwifruit Growers

Strategic planning tools such as a SWOT, gap analysis and word association were used as part of the facilitated participatory planning workshops. A pilot study was used to test and to refine the discussion guide and to practice running the workshops (Yin, 2016). All participants were aware that it was a pilot and they were selected based on their availability and diversity of knowledge of the NZ kiwifruit industry and NZ Kiwifruit Growers operations. The participants selected for this aspect of data collection had similarities to those selected by other horticulture organisations who were conducting strategy reviews described in the literature review. Following the pilot there were six workshop sessions. These groups were categorised as in Table 1.

The Case of NZ Kiwifruit Growers

Table 1 Focus Group Participants

Workshop Participant Clusters	
1.	Te Puke Growers
2.	Supply Entity Group Representatives
3.	Wider Bay of Plenty Growers
4.	Outside the Bay of Plenty Growers
5.	Growers that belong to affiliate groups (Green Growers Association & Certified Organic Kiwifruit Association)
6.	Other Growers

Each workshop session had no more than ten participants, and went for two to three hours. The workshop participants were split into these groups because it was hypothesised that these groups would have differing views. This split was believed to be beneficial because, if the information varied between the groups the research would gain greater insight into the groups NZ Kiwifruit Growers represents; or alternatively, if the groups had similar outcomes it would strengthen the outcome of the review.

The informants were contacted through NZ Kiwifruit Growers. Strict participants' rights were adhered to at all times in order to protect informants. This included: the ability to decline to answer any particular question; to withdraw from the study up to a certain point in time; ask any questions about the study at any time during participation; provide information on the understanding that their name would not be used unless they gave permission to the researcher; be given access to a summary of the project findings when it is concluded; and finally, if there was a recording being taken, and they wished not to be recorded during the focus group, they were welcome to depart the session at any time.

3.4.2 Questionnaire

The workshop sessions were recorded. The data from the workshops were analysed and used to aid in the development of the questionnaire that was emailed to all growers using the industry's database that is managed by Zespri. The online questionnaire was undertaken between 10 November and 23 November 2015. Each grower was emailed one survey to

The Case of NZ Kiwifruit Growers

complete. On request, additional questionnaires were sent to growers if they had more than one orchard. Unrepresented demographics were increased via telephone interviews completed on 24, 25, and 26 of November 2015. In an attempt to increase the total number of completed survey's, Forum members were asked to deliver completed questionnaires from growers in their constituency. The questionnaire was split into five key areas. These were: Kiwifruit Industry Strategy Project aspirations; areas of focus; strategic plan; and demographics. The questionnaire utilised scales from one to ten, one meaning either 'very far away' or 'not important at all' and ten meaning 'already achieved' or 'very important'. Following the scales, respondents were asked an open-ended question for them to identify whether any projects had been missed. Demographics questions were also asked to be able to match responses with orchard location, primary or secondary income source, respondent age, growing method/type, orchard ownership type, orchard size and varieties. The Forum reviewed the questionnaire and were given the opportunity to make changes prior to it being sent out.

3.4.3 Inclusive Process

The research objectives for this study were developed by the NZ Kiwifruit Growers Forum over three Forum meetings prior to undertaking the facilitated participatory planning workshops. Further, every element of the process was signed off by the Forum. The Strategic Review was on the agenda for every Forum meeting between June 2015 and March 2016 where Forum members were kept updated with progress. Forum meetings are held monthly with the exception of January.

3.5 Data analysis

Following the questionnaire, another group of ten growers were selected to be on the NZ Kiwifruit Growers Strategic Review Steering Group. This group was selected based on either their contribution in the earlier workshops, or their relationship with NZ Kiwifruit Growers. For example, the incoming Chairperson was on the group. It was important to include those who would have a role in the success and implementation of the strategy, as stakeholders who have no sense of ownership are less likely

The Case of NZ Kiwifruit Growers

to be supportive and might oppose the plan (Dodge & Bennett, 2011). The purpose of this group was to review the data and develop the strategic plan including the vision, mission, values, guiding principles, and key focus areas. The group was expected to reach a consensus and report their conclusions to the NZ Kiwifruit Growers Forum.

Qualitative data analysis involves describing, classifying, and connecting data. Describing data generally encompasses three aspects of describing contexts, intentions and processes (Dey, 1993). Descriptions provide the basis for interpretation and explanation of the data so that it is summarised and the key aspects are highlighted. In this study, the meaning of the data was related to the context and to the positions and perspectives of participants and observers. For example, NZ Kiwifruit Growers Forum members were the key informants of this study and it was observed that these participants separated themselves from their positions when providing their opinions. This is important because a different result could have been derived if participants had given their answers from the perspective that they were, as Forum members, responsible for the performance of the organisation. To help prevent participants from changing their behaviour or hiding their motivations, data was collected separating the NZ Kiwifruit Growers Forum members into clusters that represent similar groups. Data was then able to be analysed separately for each cluster. Although this mitigating action was taken, strong social forces dictate that participants cannot be completely relied upon to give a rational account of their intentions, and so the descriptions related to participants' motivations, are still contestable (Dey, 1993).

Descriptions provide the basis for interpretation and explanation of the data but do not dictate the analysis. Conceptual frameworks are required to understand the significance of the data and how different pieces of data interrelate. Another way of explaining this is, by classifying data into categories, the researcher can be better informed about the boundaries between the categories and how they are ordered in relation to each other. In classifying data, this research was guided by the practical purpose of formulating a strategic plan for NZ Kiwifruit Growers. Comparisons were made to allow the selection of data that would best contribute to this

The Case of NZ Kiwifruit Growers

purpose guided by the research objectives. These objectives could only be reached by analysing the data, so the analysis was also guided by conceptual clarification brought about by classifying the data. New classification frameworks were unnecessary as there were existing classification schemes available that could be adapted for this use. For example, a risk analysis framework was used to classify participants' perceptions about the kiwifruit industry's future. The framework enabled risks to be classified as to how likely they were to happen and how great the impact if they did happen. Another key method used was the use of hierarchies and word association. Using word association, the most common words and statements used in the workshops were identified in the recordings and weighted, depending on how many times the word or statement was made. This was supported by a workshop exercise where key words and ideas spoken by the participants were listed on wall posters. Participants had limited sticker dots to place beside the most important key words and ideas. A framework based on stakeholder theory, explained in the literature review, was also utilised to categorise the stakeholders of NZ Kiwifruit Growers, and also consider how NZ Kiwifruit Growers may become the definitive stakeholder to others (Mitchell et al., 1997). The researcher was careful not to bias the classification of data and incorporate or include interpretations of the data that did not exist due to the researcher's own familiarity and perception of the organisation. The risk of bias was lessened by the use of an independent facilitator, unfamiliar with the organisation, who was present at data collection and supported the data analysis.

Description provided the basis for the analysis and classification pulled the data apart so that it could be analysed. The data then needed to be connected back together. In this research the data was connected back together to form the strategic plan for NZ Kiwifruit Growers. The classifications were analysed which led to the development of the strategic plan through a facilitated workshop with the Strategic Plan Steering Group which included the development of the vision, mission, values, guiding principles, and key focus areas. This plan could then be used to develop the work plan for NZ Kiwifruit Growers.

3.6 Conclusion

In order to develop a strategic plan that lifts the performance of NZ Kiwifruit Growers, the NZ Kiwifruit Growers Forum identified and agreed upon six research objectives. To reach those objectives, case study research was employed. Facilitated participatory planning workshops and a questionnaire were used to collect data. Existing models and frameworks were used to describe and classify the data before it was connected back together to create the NZ Kiwifruit Growers strategic plan and work plan. The NZ Kiwifruit Growers Forum was involved throughout the entire process.

Chapter 4 – Results

4.1 Introduction

This chapter presents the findings from the data collection and analysis conducted for this project. The facilitated participatory planning workshops were conducted between August 2015 and March 2016, and included a pilot workshop with industry leaders followed by workshops with growers representing Te Puke growers, Supply Entity growers, wider Bay of Plenty growers, growers from outside of the Bay of Plenty, growers that belong to affiliate groups such as the Green Growers Association & Certified Organic Kiwifruit Association (COKA), and other growers who wished to be involved. Workshop participants were former, current, or aspiring NZ Kiwifruit Grower Forum members.

The first section of the chapter provides a summary of the findings from the facilitated participatory workshops in the same order as the discussion guide. The second section of this chapter provides a summary of the results from the questionnaire. The third section brings the sections together to formulate the strategic plan for NZ Kiwifruit Growers.

The chapter consists of four sections which are: facilitated participatory planning workshops; questionnaire; strategic plan; and conclusion.

4.2 Facilitated participatory planning workshops

4.2.1 Pilot

As outlined in the methodology chapter, a pilot study was used to test and to refine the discussion guide and to practice running the workshops (Yin, 2016). A SWOT analysis was used to identify the internal strengths and weaknesses and external opportunities and threats. The result was a table that gave the facilitators a brief introduction to the kiwifruit industry by informed and experienced participants and provided them with a tool to promote discussion in the facilitated participatory workshops that followed the pilot. Combined with the objectives of the study the SWOT analysis enabled refinement of the discussion guide. The SWOT analysis from the workshop is outlined in Table 2.

The Case of NZ Kiwifruit Growers

Table 2 Pilot SWOT Analysis 26 August 2015

Strengths	Weaknesses
<ul style="list-style-type: none"> • Product <ul style="list-style-type: none"> • Consistent quality • Best varieties • High nutritional value • One of the only NZ established products • Fits with the NZ clean/green image • “Kiwi” is iconic • Zespri as the sole marketer. They are Channel Captains (resourceful) • Grower ownership of Zespri • Integrated industry • Relative cohesion of everyone in the chain (growers, pack houses, marketers). Broad based agreement on how to do things. • Single desk structure • Economies of scale <ul style="list-style-type: none"> • Cost savings • Quality of product • Protect the brand • Mono-culture <ul style="list-style-type: none"> • Single focus on one fruit • Concentrated production area <ul style="list-style-type: none"> • 80% of growers in close proximity • Ease of getting everyone together • Located in the southern hemisphere <ul style="list-style-type: none"> • Fantastic area to grow fruit • Growing/harvest period vs Northern Hemisphere • New Zealand isolation (bio-security benefit)/ being geographically compact • Industry has enough critical mass (established and new growers) to <ul style="list-style-type: none"> • Attract market and government attention. • Attract innovation investment. • Attract postharvest investment. • Forward planning of the collective-innovation, marketing, forex, supply chain 	<ul style="list-style-type: none"> • Single desk <ul style="list-style-type: none"> • Reliance on government regulations for structure • Lots of committees • Reach decisions that are not commercial i.e. Taste in two steps • Proliferation of bureaucracy <ul style="list-style-type: none"> • Multiple committees – commercial and political • Time and resource consuming • Substantial overhead • No competitors <ul style="list-style-type: none"> • No pressure to focus, need focus from within • Risk of arrogance from governance and executive • Regulatory constraints <ul style="list-style-type: none"> • Zespri can only market Kiwifruit • Cannot discriminate when buying from similar organisations • Have to be scrupulously fair – all growers to be treated equally • Wider disclosure • No vertical integration • Concentrated mono culture <ul style="list-style-type: none"> • More susceptible to bio threats (PSA) • Disease spreads swiftly • Zespri unable to be commercially agile <ul style="list-style-type: none"> • Zespri have to be the leaders of the industry not the manager of the industry • Complexity of industry from a grower perspective <ul style="list-style-type: none"> • Bureaucracy • Lack of transparency • Most growers do not understand how they get paid • Difficulty getting market signals to producers so they can address these • High cost industry

The Case of NZ Kiwifruit Growers

Strengths	Weaknesses
<ul style="list-style-type: none"> • Long term view in a commodity market • Close to Asia (exports) <ul style="list-style-type: none"> • Industry of four hectare growers • Vibrant community • Maintaining industry structure (as Zespri provides income to support small growers) • Strong supply chain management • Export shipping control <ul style="list-style-type: none"> • Largest shipping charter globally (60pa) • Plant variety rites & innovation <ul style="list-style-type: none"> • \$22m per annum leveraged industry money • \$1: \$1 Zespri and government funding • Highest innovation spend globally • Strong balance sheet (\$100m) <ul style="list-style-type: none"> • Enables long term relationships • Can guarantee supply • Leaders of sorting & packing technologies • Orchard Productivity Centre (OPC) to assist grower development • Grower well-being support • Leaders of sorting & packing technologies • Environmental credentials <ul style="list-style-type: none"> • Taking care of the environment • Orchard mulching • Minimal use of sprays • Minimal use of water • KVH. They have a focus on issues that can destroy the industry in the future. • Young industry with a culture of innovation and learning, most growers have done something else first • Proactive Leadership of industry <ul style="list-style-type: none"> • Prepared to step up • Prepared to make hard decisions (KISP review). • Taste review • Competitive postharvest (efficient) • Competitive growth sector 	<ul style="list-style-type: none"> • High entry and management cost at orchard level • High cost of shipping to Europe • High cost of production • High investment costs • Geographically remote from markets • Industry of 4 hectare growers • Limitations to investment <ul style="list-style-type: none"> • Zespri can only grow through its shareholders – the growers • Cannot source funds from elsewhere • Lack of awareness of Zespri within NZ <ul style="list-style-type: none"> • Post-harvest known on-shore for KF • Zespri is known offshore for KF • The poor quality of the Grower information database • Employee training • Under-utilisation of investments <ul style="list-style-type: none"> • Pack-houses may only be needed for 3 months of the year for KF • Poor broadband and cell phone coverage • Zespri does not have independent monitoring • No release valve <ul style="list-style-type: none"> • Have to work with everyone regardless of their attitudes • Lack of product convenience (SunGold improving this) • Corporate/ competitive tensions-shareholders with different income centres but not everyone is a shareholder • Some growers do not have a positive view of postharvest/ some postharvest personnel do not have a positive view of growers • Over the next few years a lot of capital is required (temporary structural weakness)

The Case of NZ Kiwifruit Growers

Strengths	Weaknesses
<ul style="list-style-type: none"> • Producing right product incl. revenue • Transparent at grower level • Technical transfer and grower support (KVH and P/H) 	

Opportunities	Threats
<ul style="list-style-type: none"> • Growth <ul style="list-style-type: none"> • Developing markets • New products • Higher productivity • Increase market share (currently export 30% of the volume of worlds kiwifruit, but 60% of the value) • Increase the role of Kiwifruit in the world's fruit bowl (currently accounts for 0.3%) • G3 – set to revolutionise the industry <ul style="list-style-type: none"> • Better sensory rating (7.9/10 vs 6.5/10 Haywards) • SunGold sits in the “edible” window longer • SunGold is sweeter, juicier and more consistent • Japan has suffered a shortage of bananas and SunGold has started to move into that space – evidence of the opportunity • SunGold is a better variety than the others so there is an opportunity to pull all the growers together • SunGold to spread to all markets • Ability to take on summer fruit category • Reduce waste <ul style="list-style-type: none"> • Environmental • Labour • Waste kiwifruit (fruit to fuel) 	<ul style="list-style-type: none"> • Foreign intervention <ul style="list-style-type: none"> • Off shore trying to take over the industry • Foreign buyers of land and postharvest facilities <ul style="list-style-type: none"> • Controlling the supply chain • Postharvest integrated supply chain strategies/ business plans <ul style="list-style-type: none"> • Greater foreign ownership • Environmental legislation <ul style="list-style-type: none"> • Run-offs • Nutrient leeching • Water control • Loss of water quality • Use of chemicals – residues and sprays • Zespri shows declining returns • Zespri's operations overseas <ul style="list-style-type: none"> • Compliance • Brand reputation • Zespri grower supply <ul style="list-style-type: none"> • Offshore supply chain • China <ul style="list-style-type: none"> • Becomes a global exporter • Variety development <ul style="list-style-type: none"> • Chile, China (or another breeder) develops a better variety of fruit • Destabilisation of the SPE <ul style="list-style-type: none"> • Growers ask for the end of Single Point of Entry (SPE) • Government removed Zespri sole position <ul style="list-style-type: none"> • Government will support as long as the growers do

The Case of NZ Kiwifruit Growers

Opportunities	Threats
<ul style="list-style-type: none"> • Better plan to reduce waste (cannot get crop estimate) • Accountability with whom it should be • Implementation of KISP <ul style="list-style-type: none"> • More competitive/grow faster • Fix what needs fixing in the industry • How we sell <ul style="list-style-type: none"> • More innovative • Utilising technology • Social media • Research and development <ul style="list-style-type: none"> • Marketing (prove attributes) • Zespri having the best varieties • New variety mixes (red) • Better varieties (green) • Free Trade Agreements (FTA) <ul style="list-style-type: none"> • Tariff reduction • Greater market access • Increasing return to growers • Sustainability <ul style="list-style-type: none"> • Succession planning • Labour • Environmental • Development of Māori land for kiwifruit • Labour <ul style="list-style-type: none"> • More permanent roles in the region • RSE schemes for NZ workers • Improved training to improve efficiency/productivity • Large growth of Māori youth in Eastern Bay over the next 5 years • Iwi support • Youth training schemes • Improved packing technology <ul style="list-style-type: none"> • Grade as it picks • Greater NZ community support <ul style="list-style-type: none"> • Leveraging off that increased community support • Aggregation of orchards in industry • Postharvest mechanisation 	<ul style="list-style-type: none"> • National Party more to remove SPE than other parties • Change of Government/ Party • WTO interest • Right to farm (attack from councils) • Transfer of power to multinational retailers and supermarkets • Foreign buyers coming into the market <ul style="list-style-type: none"> • Lobbying governments to apply pressure to remove SPE • Global Financial Crisis • Right to farm (pressure from councils) • Destabilisation of the SPE • Anyone new coming into the country has to agree to work with Zespri • Labour <ul style="list-style-type: none"> • Shortage primary industries • Supply and cost • Seasonal full-time • Increased wages • More reticent to take up new technologies • Succession planning <ul style="list-style-type: none"> • No succession planning • Need for succession planning • Average age 59 years • Not a good image to attract new talent/ not a 'sexy' industry) • Attracting new talent • Attracting industry leadership • Growers/ orchards • Changes to employment law • Casual contracts • Changes to the WTO rules which could allow Kiwifruit to be included in trade negotiations • Kiwifruit currently excluded from the deal negotiations • Tariff reductions • Regional government focus on resource management (water)

The Case of NZ Kiwifruit Growers

Opportunities	Threats
<ul style="list-style-type: none"> • Supermarket consolidation globally <ul style="list-style-type: none"> • Fewer retail brands to deal with • Trade and market directly • Stronger relationships with the retailers 	<ul style="list-style-type: none"> • National and local politicians • Auckland is a Super City and all the council focus in on the urban areas • No attention paid to the rural surrounds which include kiwifruit orchards • Seasonal and full-time • Post-harvest consolidation • Pest & diseases • Global over-production • Changing consumer landscape • Climate / weather changes • Improvements in SmartFresh technologies that will enable the expansion of Northern Hemispheres growing season. Overlap with the NZ growing season. • Food safety • Bigger orchards • Forex • Loss of important sprays • PSA • Zespri's success leading to arrogance • Zespri becoming more removed from growers

4.2.2 Facilitated Participatory Planning Workshops

The SWOT analysis in Table 2 is a SWOT on the kiwifruit industry as opposed to NZ Kiwifruit Growers. The analysis was given to the workshop participants prior to the workshop and they were given the opportunity in the workshop to add or remove any of the strengths, weaknesses, opportunities or threats from the analysis. This activity provided the same 'big picture' starting point for all the workshop participants that was then able to be narrowed down to NZ Kiwifruit Growers role in the industry.

Workshop participants then undertook activities related to six key topics which will be elaborated on throughout this section: overall current perceptions of NZ Kiwifruit Growers; strengths, weaknesses, opportunities and threats; future of NZ Kiwifruit Growers; exploration of current NZ Kiwifruit Grower performance and Kiwifruit Industry Strategy Project aspirations; and the strategy of NZ Kiwifruit Growers.

The Case of NZ Kiwifruit Growers

Overall Current Perceptions of NZ Kiwifruit Growers

The workshop participants were asked to say the words that came to mind when the facilitator said “NZ Kiwifruit Growers”. The ‘top of mind’ feelings that workshop participants had about NZ Kiwifruit Growers were captured in the hierarchy in Figure 11 and could be classified into four key headings of: guardian of the Single Point of Entry; grower welfare; representative; and lost opportunity. The most prominently used words throughout the six workshops in this activity were identified using cloud analysis and were: Single Point of Entry guardian; opportunity-lost; growers; and watchdog. Many of the workshop participants saw NZ Kiwifruit Growers as the “guardians of the SPE”, and the “watchdog for the industry” and the “watchdog for Zespri”. Further, that NZ Kiwifruit Growers “is about lobbying in the interests of the kiwifruit industry”. On the other hand, there was also a strong message coming through from participants that everything isn’t working as it should be with comments like “NZ Kiwifruit Growers is a Chihuahua and needs to be a Pit-bull” and “NZ Kiwifruit Growers is a fractured body, relationships breaking down”. There was some consensus with the perception that NZ Kiwifruit Growers “looks after growers in need” and is “a release valve where we (growers) can vent our frustrations”. However, there was some dissatisfaction with the NZ Kiwifruit Growers Executive Committee in comments such as “a dictatorial Executive Committee”, “need for more use of the Forum”, “poorly managed Forum sessions”, “it’s a closed shop. So hard for young blood to get elected to the Forum”. NZ Kiwifruit Growers was also described as “a group of passionate people” and “a group of likeminded people all working towards a shared goal”.

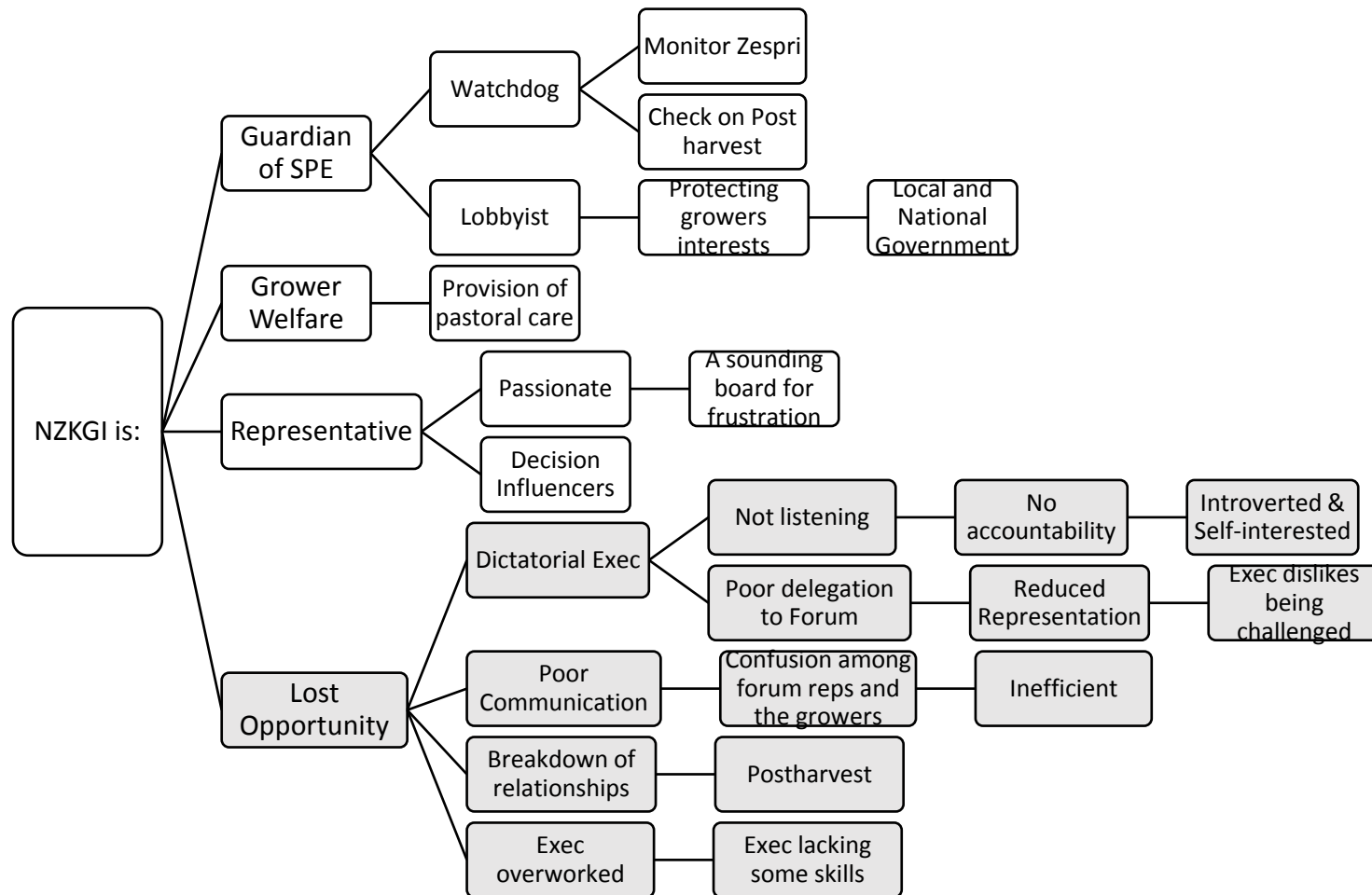


Figure 11 Top of the Mind Feelings about NZ Kiwifruit Growers

Strengths, Weaknesses, Opportunities, and Threats

Similar to the previous exercise, a hierarchy analysis and cloud analysis was used to classify the data and identify words used most frequently from those that were used less frequently, when undertaking a SWOT analysis with workshop participants. The strengths of NZ Kiwifruit Growers are displayed in the hierarchy in Figure 12. The perceived strengths of NZ Kiwifruit Growers were encapsulated by: the physical proximity to Zespri; world class pastoral care; representative of all growers; third party relationships; the CEO; maintenance of the Single Point of Entry; kiwifruit only focus; and maturity/longevity. The largest strength of NZ Kiwifruit Growers was that it “covers issues”. Further the geographical and physical locality of NZ Kiwifruit Growers to Zespri was a strength. This allowed NZ Kiwifruit Growers to understand more about Zespri’s operations and keep up to date with industry issues. The core purpose of NZ Kiwifruit Growers ‘to be the growers’ voice’ was a strength. NZ Kiwifruit Growers was seen as having some strong representatives and a strong leadership team in times of need as well as having a strong public image and good representation of growers covering regions and growing methods. The support NZ Kiwifruit Growers offered, and continues to offer for grower wellbeing and communication to growers on getting financial support, was also a strength.

The Case of New Zealand Kiwifruit Growers

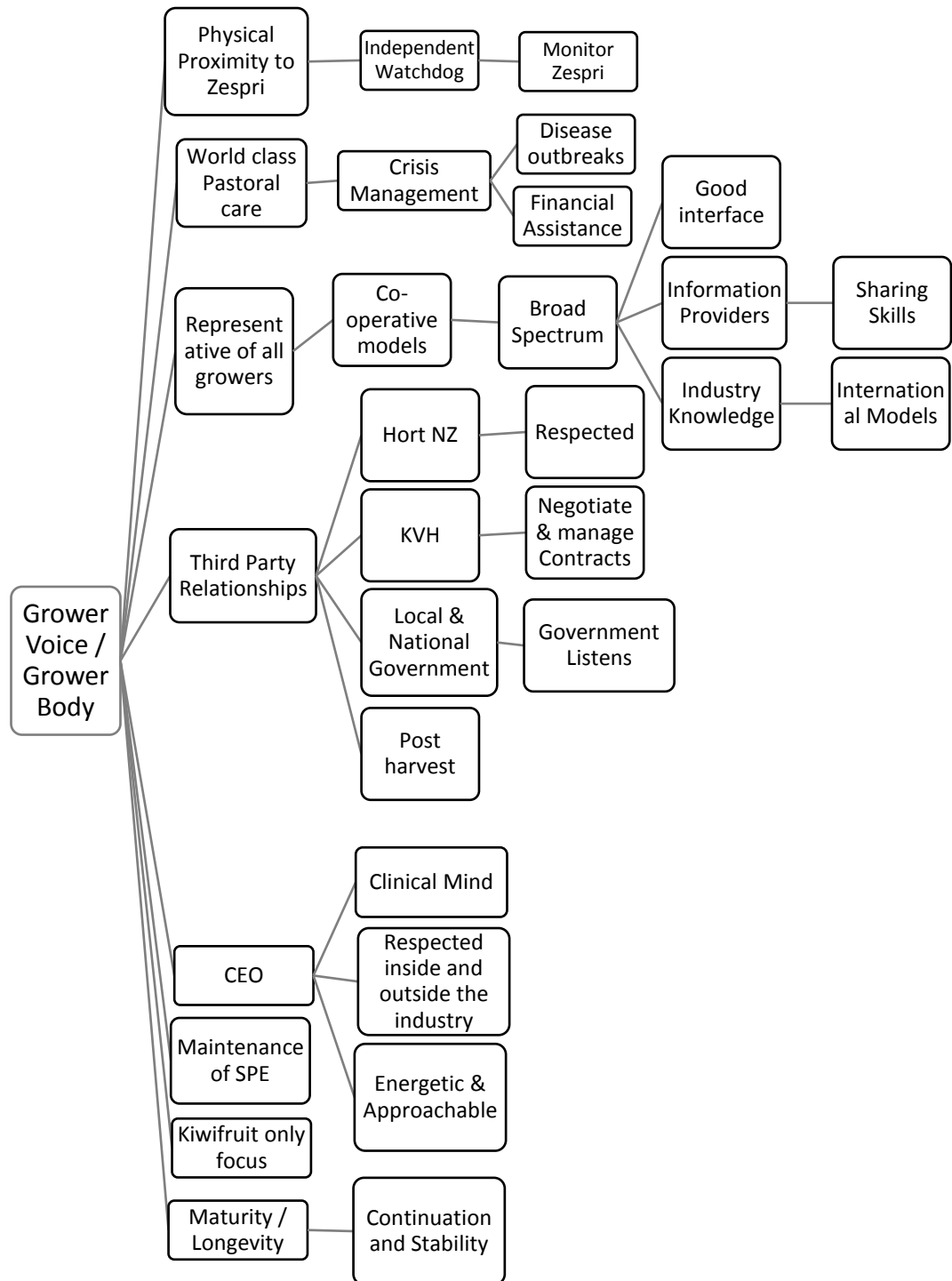


Figure 12 Strengths of NZ Kiwifruit Growers

The Case of New Zealand Kiwifruit Growers

The weaknesses of NZ Kiwifruit Growers are displayed in Figure 13 and show that delegation was perceived to be the greatest internal weakness of NZ Kiwifruit Growers. There is a lack of delegation from the Executive Committee to the Forum, and workshop participants felt that more would be achieved as an organisation if key skills and interest areas were identified, and were delegated projects. There were many weaknesses related to the NZ Kiwifruit Growers Forum such as “late tabled papers accepted”, “no time to read”, having to make a decision “without full information”, “too much focus on non-critical topics”, “debate not encouraged” and “Chair pushes own agenda”. Workshop participants felt they were pushed into decisions and the information presented was biased depending on the Chair’s objective. It was also identified that it was difficult for those not already part of NZ Kiwifruit Growers to become involved.

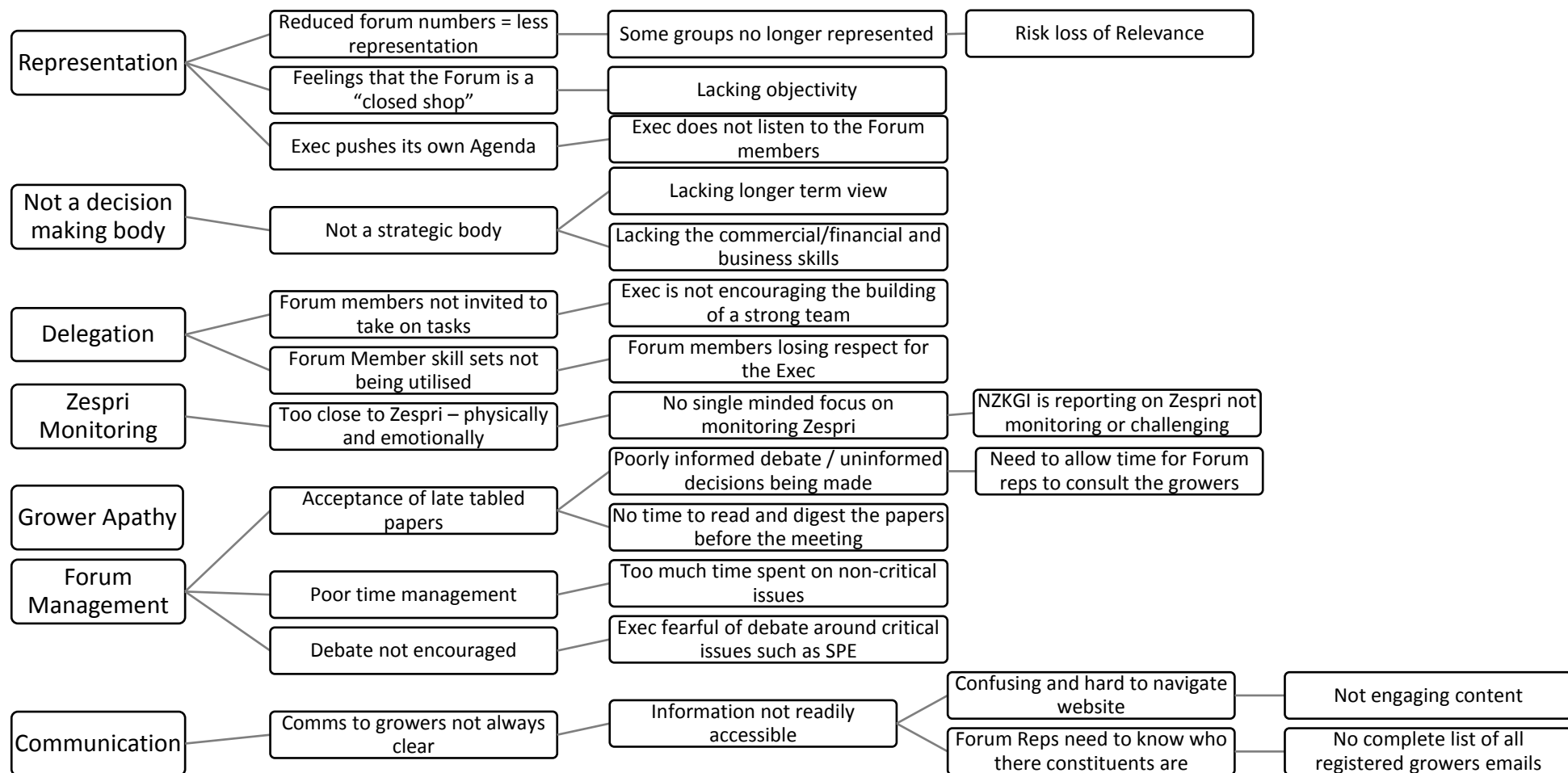


Figure 13 Weaknesses of NZ Kiwifruit Growers

The Case of New Zealand Kiwifruit Growers

The opportunities for NZ Kiwifruit Growers are captured in Figure 14. The biggest opportunities identified by workshop participants were perceived to be “engagement”, “improved Forum meetings”, “succession planning” and an “online community”. The NZ Kiwifruit Growers website was raised many times “accessible website”, “easier to navigate website”, “improved website” and could be used for “improved grower communication”.

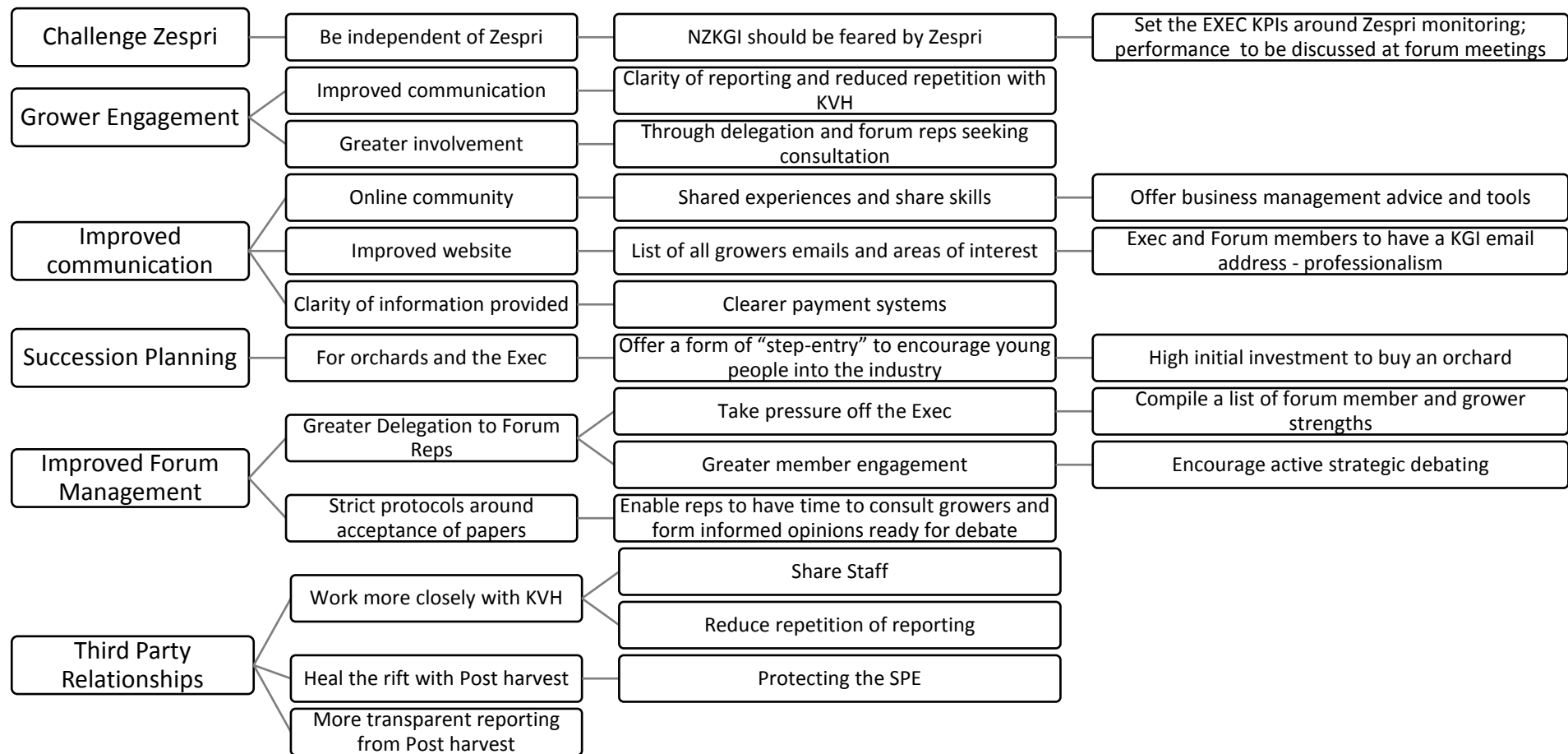


Figure 14 Opportunities for NZ Kiwifruit Growers

The Case of New Zealand Kiwifruit Growers

The threats for NZ Kiwifruit Growers are captured in Figure 15. The largest perceived threats have been identified as “exclusion” and being “irrelevant”. Related to these are the relationship and communication oriented threats such as “disenfranchised foreign and Māori growers”, “not inclusive”, “ostracising grower groups”, and “no attempt to reconcile with postharvest” that lead to the threats of “independent group set –up” and “disenfranchised growers set up own body” and a fractured industry. Other key threats for NZ Kiwifruit Growers is the Single Point of Entry (SPE) breakdown and threats related to the Forum of “Forum members not valued” and a “disengaged Forum”. The main purpose of NZ Kiwifruit Growers was considered to be protecting the Single Point of Entry. If the Single Point of Entry was to break down it may result in a lack of purpose for NZ Kiwifruit Growers and the engagement of the Forum is critical to the future success of NZ Kiwifruit Growers.

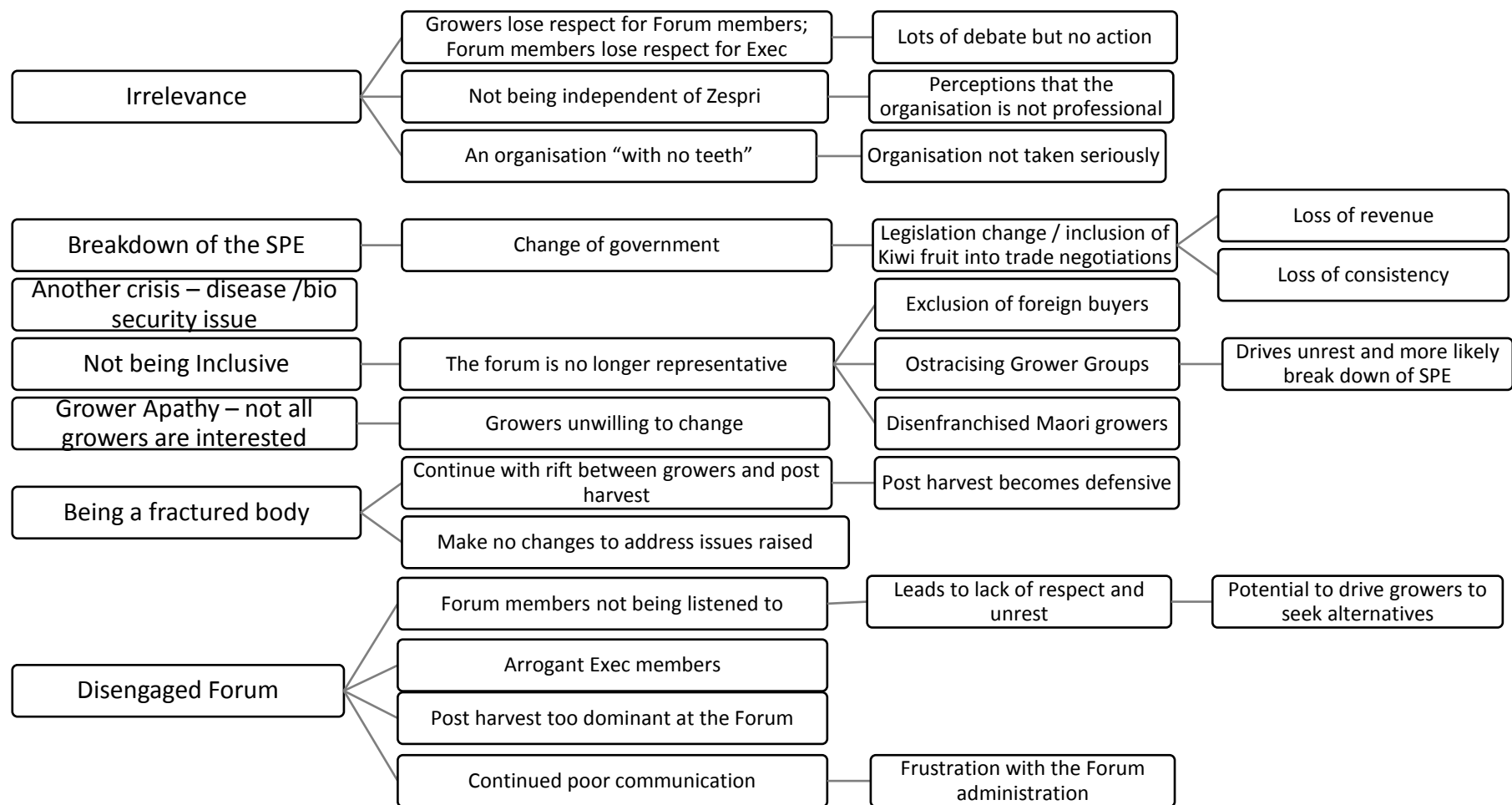


Figure 15 Threats for NZ Kiwifruit Growers

Future of NZ Kiwifruit Growers

The perceived weaknesses and threats of the NZ kiwifruit industry and of NZ Kiwifruit Growers were displayed from the previous activities and the workshop participants were asked what they would like NZ Kiwifruit Growers to do to minimise these. Workshop participants were asked to identify the five areas that they felt were the most important for NZ Kiwifruit Growers to focus on over the next five years. Workshop participants were able to choose from the kiwifruit industry SWOT analysis that they were presented with at the start of the workshop, or the NZ Kiwifruit Growers SWOT that they completed in the previous activity. Workshop participants were given five sticky dots to mark the issues they wanted NZ Kiwifruit Growers to focus on.

The results of this activity provided areas of focus for NZ Kiwifruit Growers to mitigate industry strengths and weaknesses (risks) and organisational specific risks. The results of the discussion were split into the key areas of: the Forum; engagement and communication; strong industry leadership; resource and personnel; succession planning; single desk; the environment; cohesive industry; government; and external focus areas of new varieties and labour. Each of the key areas will be listed below with the “solutions” developed by workshop participants.

Table 3 Future Focus of NZ Kiwifruit Growers

The Forum
<p>To develop a truly engaged and energised forum that successfully takes the Kiwifruit industry into the next decade the Forum has to work as a team:</p> <ul style="list-style-type: none">• Respect, delegate and include• Move the forum focus to be strategic (not information download)• Be respectful of the representatives time and their need to consult with growers <p>The forum-pack (including agenda, papers/resolutions and all supporting information, Executive summary of activity) to be given to representatives at least four days in advance of the meeting to enable:</p> <ul style="list-style-type: none">• Time to read

The Case of New Zealand Kiwifruit Growers

- Time to complete own research if necessary
- Time to consult with their growers
- Debate, listen, consider, resolve
- Use of an independent chairperson
- Identify, negotiate and resolve current tensions between the Executive committee, Post-harvest, Supply entities and the growers

Representation of the Forum

- Ensure the 27 members are as representative as possible of all KGI members (age, ethnicity, varieties, regions etc.)
- Work hard to only have representatives who have the time and will actively participate in all areas of forum activity (not just attend meetings)
- Put plans in place to encourage young and foreign owners/growers to become involved

Meeting Etiquette

- Set a time based framework for documents / resolutions to be tabled
- No late tabled documents to be accepted (added to the next forum meeting)
- Meeting planning and realistic allocation of time for each topic
- Objective facilitation, time management and punctuality throughout the meeting
- Potentially recruit an independent chair (similar role to 'The Speaker of the House')
- Build an allocated time at the end of the session for the meeting to provide the "release-valve" that is being asked for
 - Managed to ensure that this is only a small part of the meeting, not the purpose of the meeting

Delegation

- Identify the representatives' skills and interests and delegate appropriate projects to them to lead.
- Trust that they will do it and work with them, initially, to develop the skills needed
- Core skills training (mentioned later) will provide them with the confidence and the skills to be more independent, over time

Engagement and Communication

Improved communication with growers through:

- Setting up and maintaining a vibrant online community

The Case of New Zealand Kiwifruit Growers

- Shared space to upload forum-packs
- Forum representatives can review/debate topics/resolutions, ask questions, seek others opinions, consult their growers, share concerns
- Register of interest for those wanting career progression (future orchard managers / owners share their details) to be accessed by orchard owners and executive committee
- Central hub for growers and representatives sharing skillsets and interests to be utilised by KGI for project delegation
- Chat-room for growers to have general conversation, ask for advice etc
- Polling area – for the Executive committee and representatives to get grower opinions rapidly and easily
- Information/document library / easy to find information
- Complete email address list for all growers with email groups for representatives
- A KGI email address for all representatives (more professional)
- Improved website – easier to navigate / search
- Regular face-to-face meetings between representatives and growers (pub meetings), where achievable
- Ensure growers and representatives see the changes that happen as a result of the strategic review process (KISP implementation beyond the forum re-structure, outcomes of this project)
- Through transparent and accessible communications rebuild the relationships and trust between KGI, Post-harvest, Supply entities and sub-groups (Māori , Indian, Organic...)
- Smarter communication
- Less duplication (KVH and KGI send similar emails, same content on the same night, could be combined)
- Shared information to be made more relevant and easily accessible
- Concise and more 'readable' (exec summaries, key points highlighted)
- Avoid the organisation becoming irrelevant and redundant by showing the grower the value KGI brings and by engaging all parties to be a part of and support one industry body
- As a body KGI cannot afford to come (or be perceived as) complacent and/or arrogant. It is important to change. Continuous change brings continuous improvement.

Strong Industry Leadership

The Case of New Zealand Kiwifruit Growers

Become an obviously pro-active and professional body who is working wholly on behalf and in the interests of the growers

- Proactive leadership of the industry
- Be prepared to step up to the challenge
- Become an active watchdog 'with teeth'
- Be a recognised and respected body, taken seriously both within and outside of the industry

Zespri

- Single-minded focus on monitoring and challenging Zespri
- Bring in a commercial business analyst who has the status and experience to analyse and challenge Zespri
- Consider the pros and cons of the physical proximity to Zespri and the impact it, and relationships have on the perceptions of independence and impartiality
- Establish (measurable) KPIs for KGI monitoring of Zespri

Post-harvest

- Accuracy, clarity and access to data from Post-harvest to growers
- Utilise the commercial business analyst to enable better understanding and quality of Post-harvest data
- Opening up a direct channel of communication between growers and Post-harvest

Resources and Personnel

To make sure that all relevant tasks get the appropriate time, focus and skills to achieve the best outcomes

- Identifying, utilising and respecting the skillsets of the forum representatives
- Delegating appropriately
- Managing executive resource (currently thought to be 'too thin')
- Consider sharing resources with KVH (and maybe Zespri)
- Core skills and continuous improvement training for representatives
 - Designate a 30 minute slot in the monthly forum meeting
 - Help to develop a more professional body
 - Transparency and communication of what Mike and Kate do
 - Half page "Achieved this month" summary sent out with the agenda

Succession Planning

The Case of New Zealand Kiwifruit Growers

<p>To ensure the successful future of NZ Kiwifruit Growers through a seamless transition of personnel</p> <ul style="list-style-type: none"> • Planning the skillsets required • Identifying people who could fill key roles on the Executive Committee • Encourage more young people to join the forum • Identifying interested parties to takeover / invest in orchards
<p>Single Desk</p>
<p>To ensure the continued success of the single desk structures, while driving on-going improvements</p> <ul style="list-style-type: none"> • Be prepared to debate issues related to the single desk (critical for ongoing improvement) • Prepare for a change of government and have contingency plans agreed • Improve the relationships with Post-harvest, Supply entities and non-New Zealand sub-groups (Indian, Chinese) to stave-off the establishment of alternative bodies
<p>Environmental</p>
<p>Set and manage environmental best-practice by developing long term environmental plans to change grower behaviour</p> <ul style="list-style-type: none"> • Minimising the use of sprays • Hydrology management • Management of antibiotic use • Waste management, to fuel or animal feed, cost allowing • Overseeing the compliance of environmental legislation. Lobbying government to ensure legislation is achievable. Building a culture that actively want to comply • Work towards a position where kiwifruit can be marketed under environmental credentials
<p>Integrated and Cohesive Industry</p>
<p>To negotiate cohesion and be the mediator in conflict situations throughout the industry</p> <ul style="list-style-type: none"> • Relative cohesion of everyone in the chain (growers, Post-harvest, Supply entities and marketers). Broad based agreement on process and operations. Minimise threat of destabilisation • To run a co-ordinated professional body • Gaining and re-building the respect of Post-harvest
<p>Government</p>

The Case of New Zealand Kiwifruit Growers

To retain and build on the positive relationships with National and Local governments
Product, Plant and Varieties
<p>To monitor and influence the on-going research and development of new kiwifruit varieties</p> <ul style="list-style-type: none">• Exploring overseas varieties to determine if they can be adapted to boost the NZ crop• Ensure that all the focus is not on Gold3• Gold3 cannot take away from other developments• Proceed with the development of red varieties• New green varieties / innovation
Orchard Resource and Labour
<p>To ensure that there is sufficient labour to complete all necessary tasks throughout the year</p> <ul style="list-style-type: none">• Manage existing resource pool (including seasonal workers)• Participation in Recognised Seasonal Employer (RSE) scheme• Lobbying against increased minimum wage and 0-hour contracts

NZ Kiwifruit Growers Performance and the Kiwifruit Industry Strategy Project Aspirations

Following identifying focus areas for NZ Kiwifruit Growers, workshop participants were asked think about the Kiwifruit Industry Strategy Project, and what they felt the role of NZ Kiwifruit Growers was in the implementation of that project. Due to time constraints and the difficulty of the task for the participants, the facilitator moved onto the next activity in five out of the six workshops. The group that did participate in this activity felt NZ Kiwifruit Growers role was to ensure that there are Key Performance Indicators (KPI's) on Zespri's performance developed and monitored on behalf of growers.

The Strategy of NZ Kiwifruit Growers

Finally, the workshop participants were asked to work in pairs and come up with a sentence that encapsulates the role/purpose of NZ Kiwifruit Growers for the next five years. The statements were all presented back to the rest of their group. The statements that each of the workshops developed were as follows:

Table 4 Strategy of NZ Kiwifruit Growers - Mission Statement

Te Puke Growers
To understand issues, promote the best interests of the growers and maintain strong industry participants
Supply Entity Group Representatives
To represent growers and be the growers advocate by <ul style="list-style-type: none"> • Understanding what growers want • Representing growers interests • Maintaining and improving industry performance and relationships
Wider Bay of Plenty Growers
KGI will maintain and represent a strong grower focus in all industry matters
Outside the Bay of Plenty Growers
To represent and enhance growers' wellbeing (financial and health)
Growers that belong to affiliate groups (Green Growers Association & Certified Organic Kiwifruit Association)
To be a think tank representing growers throughout the growing regions. Looking and talking and discussing with Zespri all things of SPE
Other Growers
Industry advocacy body working in growers best interests for a long term sustainable future

4.3 Questionnaire

Following on from the facilitated participatory workshops and consultation with the NZ Kiwifruit Growers Forum, the questionnaire questions were developed. The purpose of the questionnaire was to confirm the outcomes of the workshops with a larger sample of growers and to increase the number of growers contributing to the review. The questionnaire questions were pre-tested with the NZ Kiwifruit Growers Forum before being sent to all kiwifruit growers' email addresses in the industry database. There were 238 respondents to the questionnaire which is a sample of approximately 10% of New Zealand kiwifruit growers. This is a standard response level in the kiwifruit industry for this type of survey. The sample was fairly representative of the total population by producer type, cultivar, orchard

The Case of New Zealand Kiwifruit Growers

size and region so was not weighted. This section outlines the results of the questionnaire starting with the demographics and followed by the Kiwifruit Industry Strategy Project aspirations; areas of focus; and strategic plan.

4.3.1 Demographics

The demographics section of the questionnaire used a mixture of the information available on the kiwifruit industry grower databased managed by Zespri and asking questions in the questionnaire to be able to match responses with orchard location, primary or secondary income source, respondent age, growing method/type, orchard ownership type, orchard size and varieties.

Orchard Location/ Locations

The majority of kiwifruit orchards are located in the Bay of Plenty.

Likewise, the majority of respondents to the survey have orchards based in the Bay of Plenty. Te Puke, in the Western Bay of Plenty is the largest kiwifruit growing location with 39% of the national kiwifruit production. The next largest growing locations are Katikati/Waihi with 14% of the national crop, followed by: Tauranga 13%; Opotiki/ Whakatane 10%; Waikato 7%; Auckland 5%; Hawkes Bay, Taranaki, Poverty Bay, and the Lower North Island 5%; Northland 4%; and the South Island 3%. The sample was fairly representative with a slightly lower proportion of respondents from: Te Puke (-6%); Waikato (-2%); Hawkes Bay, Taranaki, Poverty Bay, and the Lower North Island (-1%); and the South Island (-1%). There were higher response rates from: Katikati/ Waihi (+10%); Northland (+5%); Tauranga (+3%); and Opotiki/ Whakatane (+1%). The distribution of the locations of the respondents could suggest that the growing locations in the wider Bay of Plenty regions and Northland have a greater connection to NZ Kiwifruit Growers Inc. Further, this could mean that NZ Kiwifruit Grower representatives are more active in these growing locations. The questionnaire respondents' location/s are outlined in Figure 16.

The Case of New Zealand Kiwifruit Growers

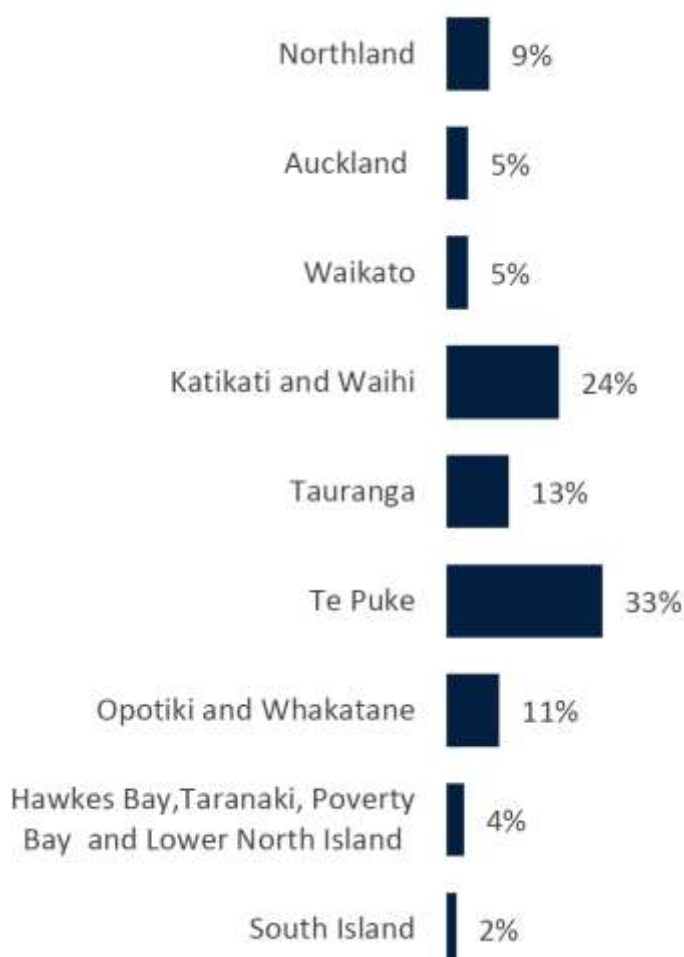


Figure 16 Questionnaire Respondents Orchard Location/ Locations

Primary or Secondary Income Source

It is widely acknowledged that for many kiwifruit growers, their kiwifruit crop is not their main source of income. The precise proportion of growers that rely on their kiwifruit orchard as the primary source of income is not known; however, in this questionnaire it was 69%. Those growers who rely on their kiwifruit orchard as their main source of income may be more likely to do the questionnaire, as the outcome may be perceived to have a greater impact on their livelihood.

Age

Based on a range of historical surveys and public releases by the kiwifruit industry, the average age of a kiwifruit grower is between 58-62 years. This was comparative to this questionnaire where 10% of respondents were under the age of 46 years, 40% were between 46 years and 60 years and the remaining 50% were 61 years or older.

The Case of New Zealand Kiwifruit Growers

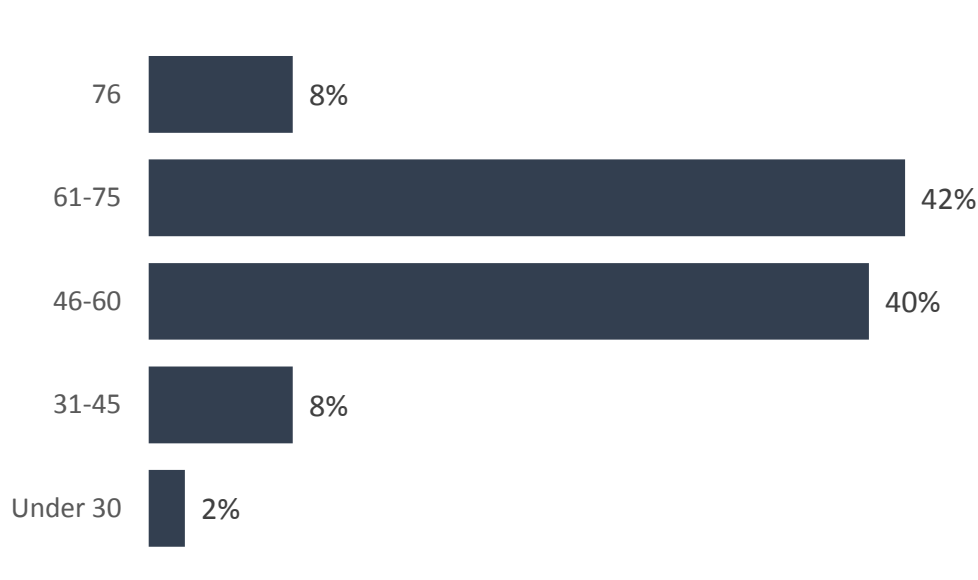


Figure 17 Questionnaire Respondents Age

Growing Method/Type

The kiwifruit industry has a range of different kiwifruit cultivars and two different growing methods. In this questionnaire respondents were given the options of: 'green conventional', which encompasses all green fleshed cultivars including but not limited to Hayward, and Green14 grown using conventional methods; 'gold conventional', that included all gold fleshed cultivars including but not limited to Hort16A and Gold3 cultivars grown using conventional methods; 'green and gold organic' which included the cultivars in the previous options but use organic growing methods; and finally 'other' which covers everything that is not green or gold fleshed.

The distribution of responses was fairly similar to the distribution in the kiwifruit industry database. Acknowledging that kiwifruit growers can grow more than one cultivar, the kiwifruit industry database identifies that 78% of growers have green conventional, 59% have gold conventional, 6% grow green or gold organic, and 1% fit into the 'other' category. In the questionnaire there were slightly higher responses from green conventional growers (+1%), and lower responses from gold conventional growers (-7%) which is shown in Figure 18.

The Case of New Zealand Kiwifruit Growers

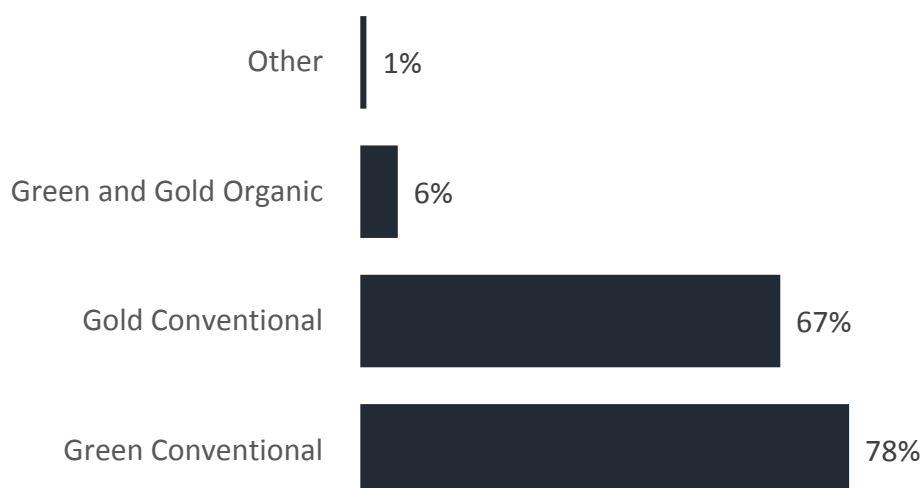


Figure 18 Questionnaire Respondents Growing Method/ Type

Key Cultivars

Growing Type was built upon by collecting more specific information about what cultivar was grown by the respondent. This data showed that the proportion of the different cultivars represented in the questionnaire were representative of the kiwifruit industry data except Green 14 growers were over represented by 7%, and Gold3 growers over represented by 9% with 13% and 68% of those responding growing those cultivars respectively (see Figure 1).

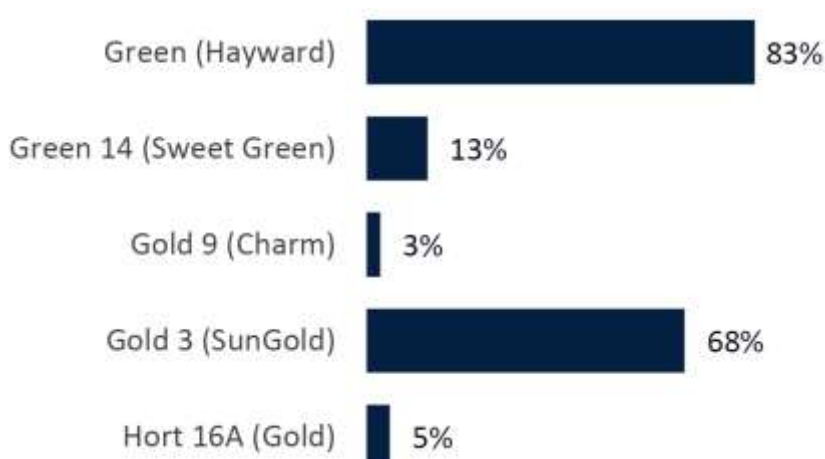


Figure 19 Questionnaire Respondents Key Cultivars

Orchard Ownership Type

There are many ownership structures and ways to operate a kiwifruit orchard. The kiwifruit industry database identifies that 95% of growers are the legal producers of the fruit on their own orchards, and 17% of growers

The Case of New Zealand Kiwifruit Growers

are also or only lessees of orchards. The responses to this questionnaire were similar with 94% of respondents being the legal producer of their orchard and 25% were also or only the lessee. Other information was also collected in the questionnaire which is listed in Figure 20. The majority of respondents were owners and operators of their orchards (80%), whilst 18% employ a manager to oversee operations. These figures are different to the portions speculated by industry which stipulate that 36% of orchard owners employ a manager, and 67% undertake the day to day management of their orchards acknowledging that some do both.

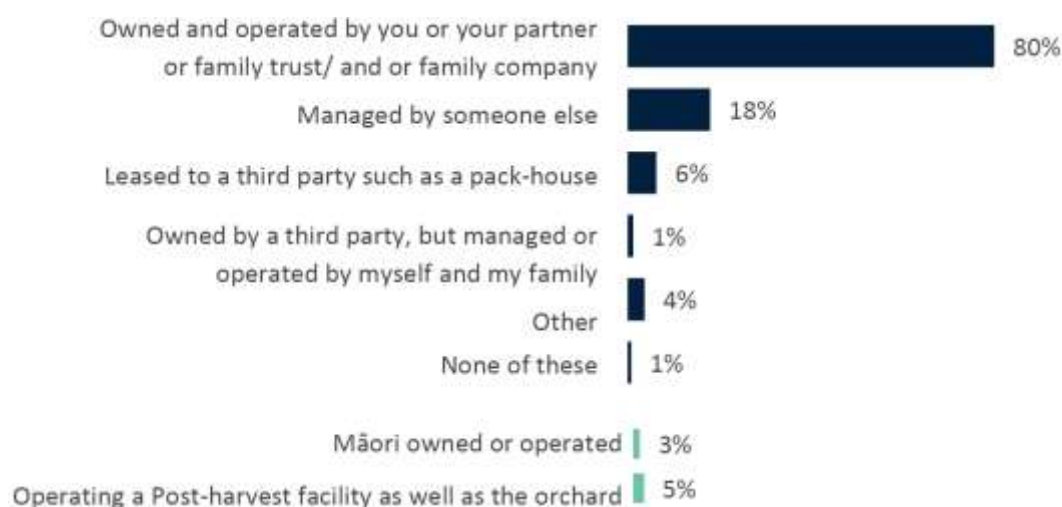


Figure 20 Questionnaire Respondents to Orchard Ownership Type

Orchard Size

Orchard sizes were categorised as 'small' (less than 4 hectares), medium (4-7 hectares), and large (greater than 7 hectares). The kiwifruit industry database identifies that 51% of orchards are small, 20% of orchards are medium and 29% of orchards are large. A higher proportion of large orchardists (39%) responded to the questionnaire than medium (17%) and small (44%) orchardists, although the total number of responses from small orchards was greater. This was confirmed using production figures where those with the highest total production were more likely to complete the questionnaire, relative to those with lower total production.

The Case of New Zealand Kiwifruit Growers

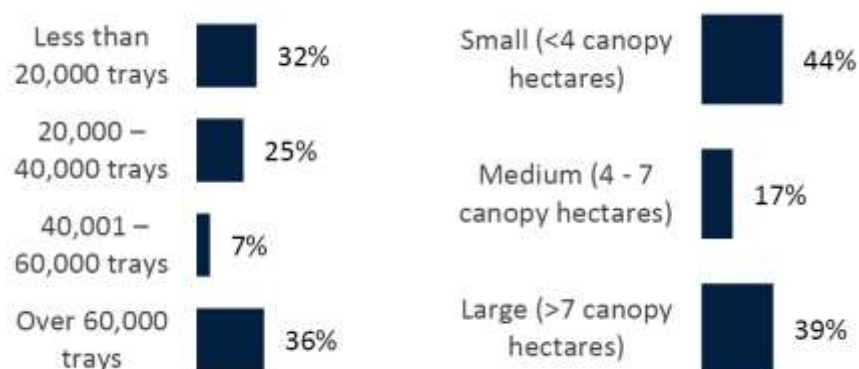


Figure 21 Questionnaire Respondents Orchard Size

4.3.2 Kiwifruit Industry Strategy Project Aspirations

Questionnaire participants were asked how far away they thought NZ Kiwifruit Growers was away from reaching the aspirations of the Kiwifruit Industry Strategy Project (KISP). A score of one meant NZ Kiwifruit Growers was very far away from achieving the aspiration and a score of 10 meant NZ Kiwifruit Growers had already achieved the aspiration. The gap analysis showed that NZ Kiwifruit Growers was furthest away from 'increased focus on independent monitoring and analysis of Zespri', with a mean of 5.5 and the closest to 'increased focus on the industry's marketing structure', with a mean of 7.5. 'Increased focus on supply chain performance' achieved a mean of 5.6, 'increased focus on equity between growers' 5.7, and 'improved communication with growers' received a mean score of 7.0.

4.3.3. Areas of Focus

Questionnaire participants were asked on a scale of 1-10 how important a range of industry areas and internal areas were for NZ Kiwifruit Growers to focus on over the next five years. The list of industry and internal areas were the projects that had been identified in the workshops. The most important focus for NZ Kiwifruit Growers was to 'develop a truly engaged and energised Forum that drives the kiwifruit industry in the next decade', which was considered very important (8-10) by 70% of questionnaire respondents as shown in Figure 22. The most important industry area was to 'ensure the continued success of the kiwifruit industry marketing structure' which was considered very important by 88% of respondents.

The Case of New Zealand Kiwifruit Growers

Other industry areas that had more than 70% of respondents thinking they were very important, were 'monitoring and reporting on the supply chain, and payment deliberations that affect grower payments and equity' (76%), and 'reacting and supporting growers through industry adverse events' (73%).

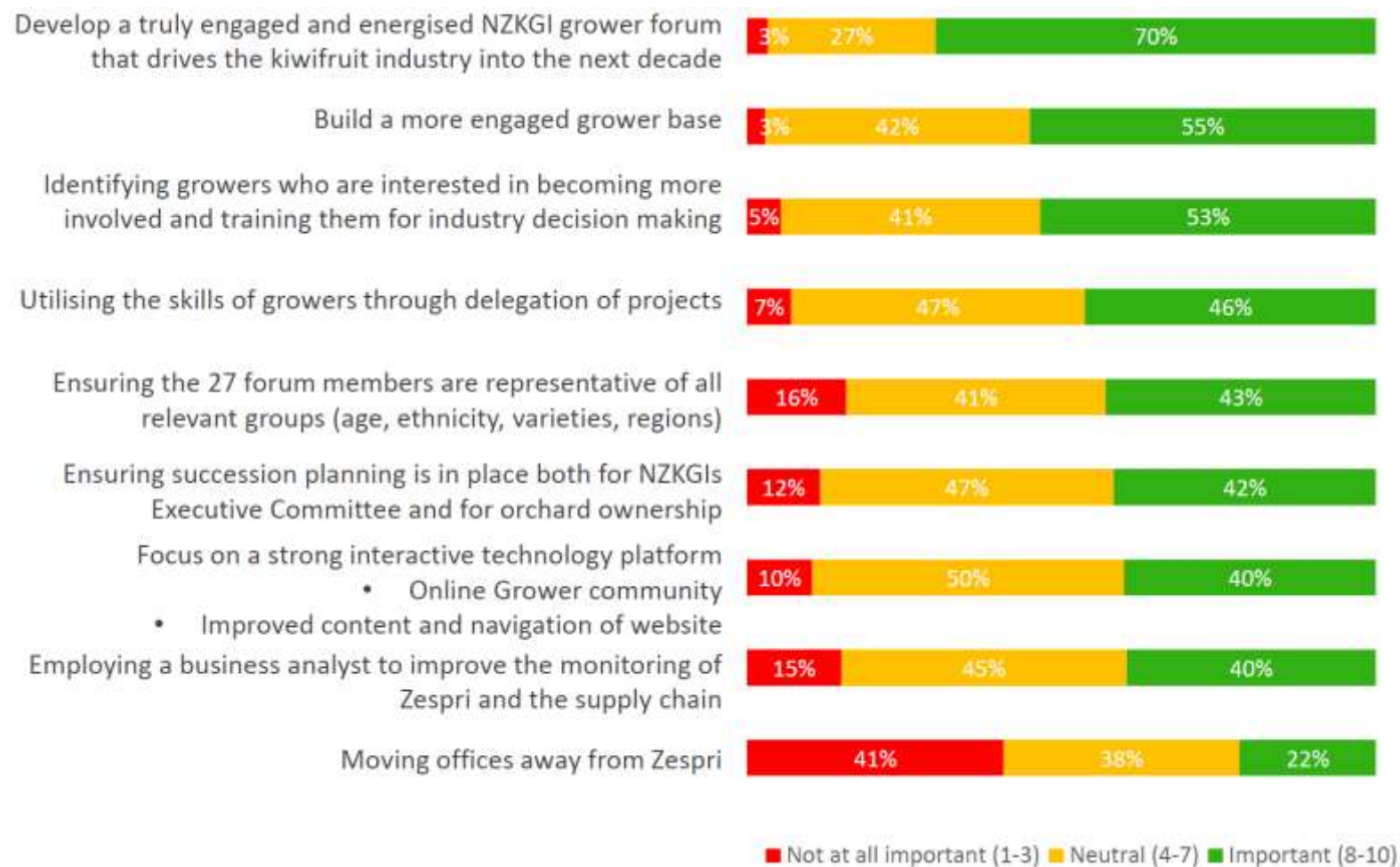


Figure 22 NZ Kiwifruit Growers Organisational Focus Areas

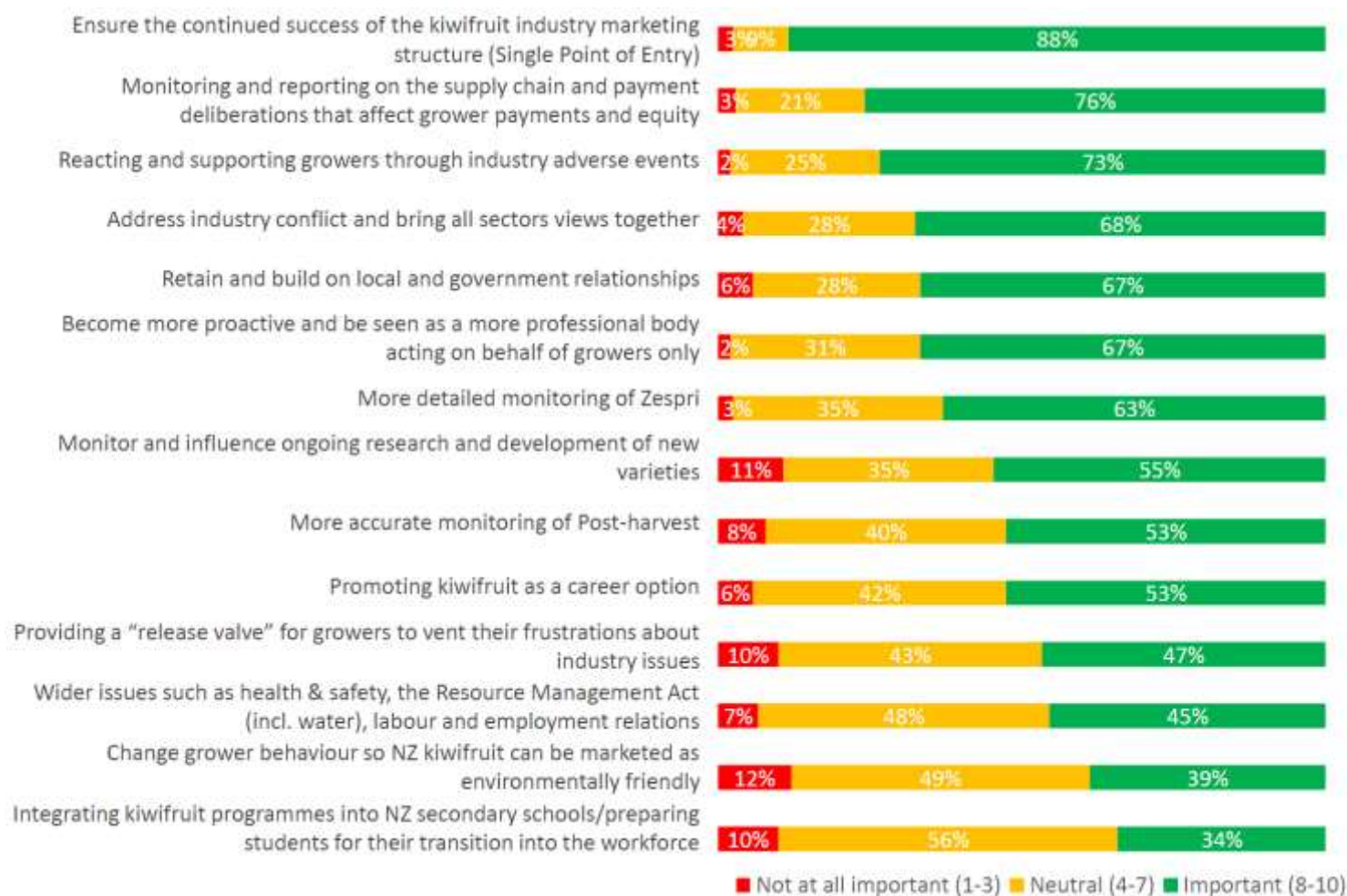


Figure 23 NZ Kiwifruit Industry Areas of Focus

The Case of New Zealand Kiwifruit Growers

Participants were also asked to identify on a range between ‘focus solely on industry performance’ and ‘focus only wider issues such as health and safety and resource management’, where NZ Kiwifruit Growers should be positioned over the next five years. The greatest portion of respondents (47%) felt that NZ Kiwifruit Growers should have an equal focus on industry performance and wider issues. The next largest portion (35%) felt NZ Kiwifruit Growers should focus mainly on industry performance and a little on wider issues. This was followed by 14% of respondents selecting for focus to be only on industry performance. The remaining 4% was split between focusing only and mainly on wider issues.

Participants had the opportunity to identify other projects that had not been identified in the questionnaire that NZ Kiwifruit Growers should focus on. Additional projects were identified in the areas of: Zespri performance and grower returns; branding and varietal development; continuing to be grower driven; and reducing operating costs and more efficient operation.

4.3.4 Strategic Plan

The mission statements developed by the workshop participants as detailed in Table 4 were listed. Questionnaire participants were asked which statement best outlines the role of NZ Kiwifruit Growers over the next five years. Table 5 lists the mission statements and shows the proportion of questionnaire respondents that selected them in the column to the right of the statement. There was no clear ‘winning’ statement; however, interestingly, 65% of green or gold organic growers selected an “industry advocacy body working in growers’ best interests for a long-term sustainable future”.

Table 5 Questionnaire Respondents Selection of Core Role of NZ Kiwifruit Growers

To understand issues, promote the best interests of the growers and maintain strong industry participants	3%
To represent growers and be the growers’ advocate by <ul style="list-style-type: none">• Understanding what growers want• Representing growers interests	26%

The Case of New Zealand Kiwifruit Growers

• Maintaining and improving industry performance and relationships	
KGI will maintain and represent a strong grower focus in all industry matters	9%
To represent and enhance growers' wellbeing (financial and health)	2%
To be a think tank representing growers throughout the growing regions. Looking and talking and discussing with Zespri all things of SPE	17%
Industry advocacy body working in growers' best interests for a long term sustainable future	20%
A combination of the above or another statement altogether	18%

4.4 Strategic plan

The focus of this section is to connect the information in the previous sections in the form of risk matrices that lead to the identification of six key activity areas. The six key activity areas will then be used to connect information related to NZ Kiwifruit Growers stakeholders and be categorised. The results will be aligned with the objectives of the organisation to form the strategic plan.

4.4.1 Risk Analysis

Risk matrices were developed to help categorise the data collected in the workshops and the questionnaire, and to inform the creation of NZ Kiwifruit Grower strategic plan. Prior to finalisation the risk matrices were also cross checked by the NZ Kiwifruit Growers Forum. The risk matrices are shown in Figure 24 and Figure 25 below and match the risks likelihood to happen with the impact that the risk will have if it eventuates. Likelihood to happen was measured on a scale from very unlikely to certain and impact was measured on a scale from marginal to catastrophic. The risks in the top right hand corner of the matrices pose the greatest risk to the kiwifruit industry and NZ Kiwifruit Growers where 'certain' crosses over with 'catastrophic'.

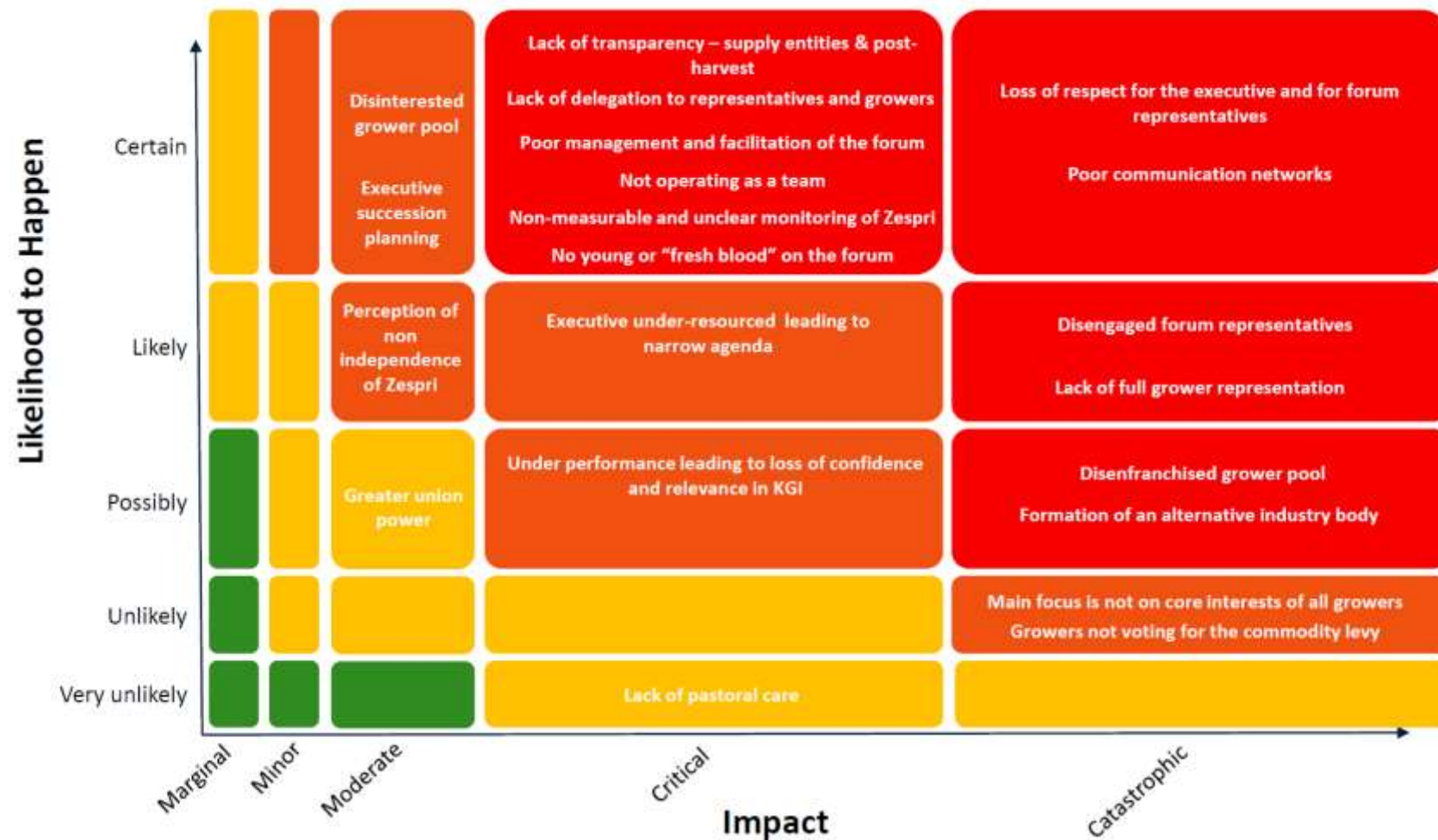


Figure 24 NZ Kiwifruit Growers Risk Matrix

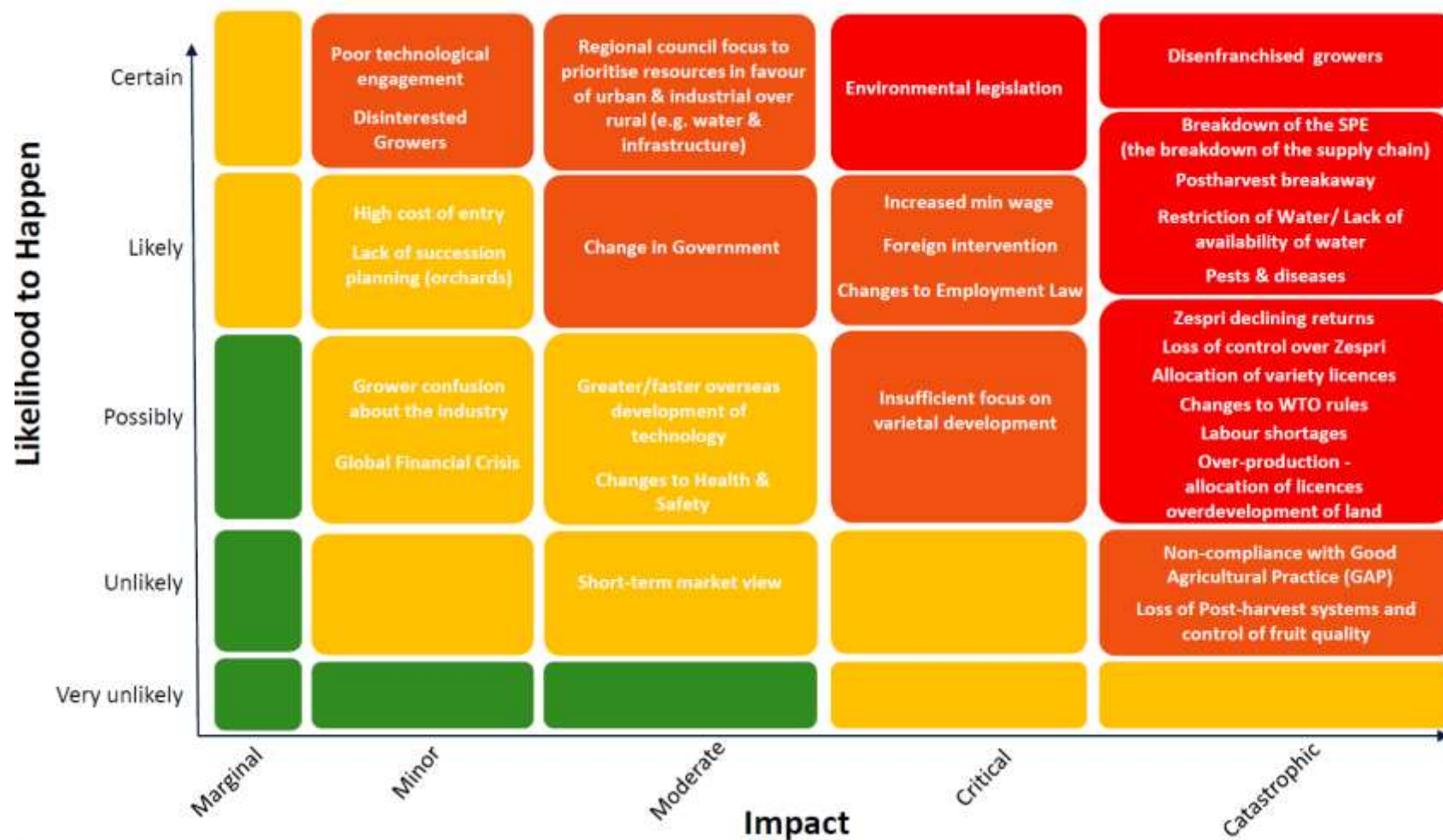


Figure 25 NZ Kiwifruit Industry Risk Matrix

The Case of New Zealand Kiwifruit Growers

The risk matrices in Figure 24 and Figure 25 above match the 'likelihood to happen', and the impact using red, orange, yellow and green boxes. There are similarities between the two matrices where they both highlight in their red and highest risk boxes that if NZ Kiwifruit Growers and the kiwifruit industry continues on as it is, growers will certainly be disenfranchised. For NZ Kiwifruit Growers this means "loss of respect for the Executive Committee and for Forum representatives" and "poor communication networks". The majority of certain and catastrophic risks in the NZ Kiwifruit Growers risk matrix are specifically related to people, such as ineffective communication, un-representative representation, and disrespect for representation. Certain and critical risks follow a similar theme but are more specific. For example, "poor communication" categorised as a certain and catastrophic risk can be linked to the certain and critical risks of "a lack of transparency", "a lack of delegation to representatives and growers", "poor management and facilitation of the Forum", "not operating as a team" and "no young or 'fresh-blood' on the Forum". Other risks such as "Zespri declining returns", "loss of control of Zespri", "over production and allocation of licenses" and "insufficient focus on varietal development" also follow similar theme to one another that is related to the performance of the industry. The remaining certain and catastrophic risks in the industry risk matrix cover a broad range of risks from operational risks such as water availability, pest and disease, and labour shortages to high level risks such as the breakdown of the Single Point of Entry and changes to the World Trade Organisation rules that will impact industry stability.

The classification of the industry's, and NZ Kiwifruit Growers weaknesses and threats into categories in the risk matrices, has identified five key areas of activity for NZ Kiwifruit Growers. These areas are: industry stability; communications; performance; labour and education; and external relations. Targets for each of the key activity areas were developed first based on the focus areas developed in the data collection. The analysis of focus areas led to an additional key area to be added

The Case of New Zealand Kiwifruit Growers

named 'organisational management'. The key areas of activity and their targets are displayed in Table 6.

Table 6 NZ Kiwifruit Growers Activities and Targets

Activity	Target
Industry Stability	Increased focus on stability of the marketing structure and to retain and build upon government relationships
Communications	A truly engaged grower base who receive clear, transparent, and efficient communications, who are able to vent their frustrations and obtain support through adverse events
Performance	Increased focus on independent monitoring of: Zespri; supply chain performance; equity between growers; and ongoing research and development, whilst maintaining relationships with industry-related bodies
Labour & Education	There is sufficient orchard ownership and labour to meet current and future demand at all levels
External Relations	Retaining and building on local and government relationships whilst being the advocate for kiwifruit on wider issues such as labour, resource management, and health and safety
Organisational Management	NZ Kiwifruit Growers is a professional and well-run organisation with maximum benefit for the levy investment received

4.4.2 NZ Kiwifruit Growers Stakeholders

Stakeholder theory has been used to help understand the purpose of NZ Kiwifruit Growers and to consider the core research question of: how can the performance of NZ Kiwifruit Growers Incorporated be lifted to meet the needs of New Zealand kiwifruit growers? A framework based on stakeholder theory explained in the literature review was used along with the data collected to categorise the stakeholders of NZ Kiwifruit Growers,

The Case of New Zealand Kiwifruit Growers

and also consider how NZ Kiwifruit Growers may become the definitive stakeholder to others (Mitchell et al., 1997).

There are copious players in the NZ kiwifruit industry from orchard to consumption. In this research the identification of stakeholders has been limited to the players that were identified in the NZ Kiwifruit Growers and industry SWOT analysis. These players are: Zespri; postharvest companies; supply entities; NZ government; regional government; Kiwifruit Vine Health (KVH), Kiwifruit New Zealand (KNZ), and the World Trade Organisation (WTO). The classifications from Mitchell et al. (1997) and information from the data collection have been used to categorise these players in Table 7 below. It was identified that many of the NZ Kiwifruit Growers stakeholders could have multiple classifications depending on the activity that was being undertaken. These categories were taken one step further, and the key areas of activity that were developed in the previous section were used to create sub-categories of NZ Kiwifruit Growers stakeholders. In other words, each of the stakeholders identified by growers in the data collection were categorised as a type of stakeholder in the key activity areas of Industry Stability, Performance, Labour and Education, and External Relations. Stakeholders of NZ Kiwifruit Growers were not categorised for the key activity areas of Communications and Organisational Management as these topics were considered grower specific and related to the administration of NZ Kiwifruit Growers. NZ kiwifruit growers were not identified in the table because NZ Kiwifruit Growers is their representative, and it portrays their stakeholders. It must be recognised, however, that there are individual growers who could be classed as 'demanding stakeholders' of NZ Kiwifruit Growers who require urgent attention but individually do not hold any power or legitimacy.

Industry Stability

The target of the industry stability portfolio was defined as having increased focus on the stability of the marketing structure and to retain and build upon government relationships. The classifications into the four categories did not solve the issue of multiple classifications entirely as the classification of 'urgency' denotes time or 'the urgency of the claim on the organisation'. Urgency is more likely to be associated with a specific

The Case of New Zealand Kiwifruit Growers

project or event as opposed to a stakeholder or key activity of NZ Kiwifruit Growers. However, this was not always true as generally any involvement with the World Trade Organisation (WTO) would implicate the kiwifruit industry's marketing structure and matters would be dealt with, with urgency. The WTO was identified as a definitive stakeholder under the key activity 'industry stability' in Table 7 because the WTO also has the power and legitimacy to force the deregulation of the kiwifruit industry.

The NZ government has also been categorised as a definitive stakeholder under the same activity. The NZ government makes the law and has the power, legitimacy, and under the right circumstances, such as international trade negotiations - the urgency to remove the Kiwifruit Regulations 1999. KNZ was categorised as a dominant stakeholder because the organisation has the power and legitimacy through its role as the regulator of the Kiwifruit Regulations but does not have the urgency to displace the industry kiwifruit industry for NZ Kiwifruit Growers without the NZ government.

Postharvest and Zespri were characterised as dangerous stakeholders. Neither Zespri nor postharvest have the legitimacy as stakeholders in this key activity area which made them both dangerous stakeholders. Zespri did not have legitimacy because Zespri is conflicted by being the vehicle for the Kiwifruit Regulations 1999. Postharvest was also categorised as a dangerous stakeholder because many postharvest companies have the power and the urgency, but it is the growers who utilise their services that hold the legitimacy. These growers are generally represented by their supply entity aligned with a postharvest company. Supply entities have been categorised as dependent stakeholders because they have the legitimacy and urgency, but generally, individually, they do not have the power to severely impact the stability of the industry. Finally, KVH and the Regional Council were considered non-stakeholders through having no perceived impact on the stability of the kiwifruit industry.

Performance

The target of the performance key activity area was to have increased focus on independent monitoring of: Zespri; supply chain performance; equity between growers; and ongoing research and development, whilst

The Case of New Zealand Kiwifruit Growers

maintaining relationships with industry-related bodies. Zespri have been categorised as a definitive stakeholder in the performance key activity area because although the Industry Advisory Council, described in the first chapter of this thesis, meet and come to a decision on industry issues, it is effectively a recommendation to the Zespri Board. The Zespri Board has the legitimacy, power, and urgency to enact the decision. KVH is also a definitive stakeholder because they have the mandate from the NZ government to impose rules on growers and the industry concerning biosecurity. Following the same theme, KNZ is a definitive stakeholder because they have been given the mandate by the NZ government to enforce the Kiwifruit Regulations 1999 on the kiwifruit industry.

Postharvest companies have been categorised as dangerous stakeholders. A group named the Industry Supply Group negotiates the Supply Agreement with Zespri which is made up of 12 Registered Suppliers and two NZ Kiwifruit Growers representatives. Because postharvest companies are Registered Suppliers they sign the Supply Agreement and have the power to enact change. The Supply Agreement contains sections that relate to the distribution of growers' equity who Registered Suppliers do not represent, yet, illegitimately have made decisions regarding. Due to kiwifruit being an exported perishable product, supply chain decisions are generally made with urgency, with limited or no time for wider consultation outside of the Industry Supply Group. Postharvest are illegitimate when making decisions about the distribution of growers wealth yet have the power and urgency to make those decisions, and therefore, have been categorised as dangerous stakeholders.

Supply entities and the NZ Government were classified as dependent stakeholders in the performance key activity area. Supply entities may be definitive stakeholders to their postharvest company, but to NZ Kiwifruit Growers as individual supply entities, represent only a portion of the grower population and therefore do not hold the power to be definitive stakeholders to the organisation. The NZ government was considered to be a bystander of the industry in the performance activity area and to have a secondary influence on the operational performance of the industry. For

The Case of New Zealand Kiwifruit Growers

example, there may be a market access issue in exporting to Asia, and the Ministry for Primary Industries may require the kiwifruit industry to implement a procedure to rectify the issue. In this case, the NZ government would be a definitive stakeholder; however, generally they would lack the power, inclination, and expertise to interfere with the day to day operational decisions. The regional government and the WTO were categorised as non-stakeholders due to being perceived as having no influence on how well the NZ kiwifruit industry performs.

Labour and Education

The target of the labour and education key activity area was to ensure that there would be sufficient orchard ownership and labour to meet current and future demand at all levels. The NZ government was categorised as a definitive stakeholder because they make the rules. For example, the NZ government dictates the number of seasonal workers that can be brought to NZ from the Pacific Islands and Asia, as part of the Recognised Seasonal Employers (RSE) scheme to provide additional labour at peak times of the season. NZ Kiwifruit Growers works closely with the Ministry of Social Development to minimise the unemployment rate to enable the use of the RSE scheme.

Supply entities and postharvest companies have the legitimacy through requiring labour, and urgency through needing labour at specific times, but do not have the power to prevent or provide the labour to address the demands of labour across the wider NZ kiwifruit industry. KVH, Zespri, and the Regional Government have been categorised as discretionary stakeholders as they all have legitimacy through benefiting from labour demands being met, but none of these groups have the power or urgency to deliver the supply. For example, NZ Kiwifruit Growers has been developing a programme that develops the skills of secondary students so that they are enabled transition into the workforce. NZ Kiwifruit Growers has chosen to involve KVH because it is advantageous for the horticulture industry, for biosecurity to be incorporated into the programme. KNZ and the WTO were considered non-stakeholders in this activity area.

The Case of New Zealand Kiwifruit Growers

External Relations

The target of the external relations key activity was to retain and build on local and government relationships whilst being the advocate for kiwifruit on wider issues such as resource management, and health and safety. The definitive stakeholders in the external relations key activity area were identified as the NZ government and regional government. The NZ government makes the law at national level and regional government generally implements the law in which growers must abide. Further, regional government is responsible for their District Plan that details the requirements for a range of activities that can help or hinder growers' ability to produce.

Postharvest companies and supply entities are often dependent on NZ Kiwifruit Growers to undertake external relations key activities where they have legitimacy and urgency but individually lack power. For example, a growing region underwent a draft District Plan change, that if finalised, would mean that buildings being built in rurally zoned areas over a certain size would require a higher level of consent. Postharvest companies were notified about the change given the change directly impacted their ability to grow and they supported the NZ Kiwifruit Growers submission but individually they could not prevent the plan change themselves.

KVH, KNZ, and Zespri were all categorised as discretionary stakeholders to NZ Kiwifruit Growers in the External Relations key activity area. These organisations don't hold power or urgency over NZ Kiwifruit Growers but are legitimate as their support aids the success of NZ Kiwifruit Growers. For example, these organisations support of NZ Kiwifruit Growers submissions have added weight to submissions that have led to a better outcome for growers. The WTO was categorised as a non-stakeholder.

Table 7 NZ Kiwifruit Growers Stakeholders

Classification			NZ Kiwifruit Grower Key Activity Area Stakeholder Categorisations			
			Industry Stability	Performance	Labour & Education	External Relations
1	Dormant	Power				
2	Discretionary	Legitimacy			KVH Zespri Regional Government	KVH KNZ Zespri
3	Demanding	Urgency				
4	Dominant	Power and Legitimacy	KNZ			
5	Dangerous	Power and Urgency	Postharvest Zespri	Postharvest		
6	Dependent	Legitimacy and Urgency	Supply Entities	Supply Entities NZ Government	Supply Entities Postharvest	Postharvest Supply Entities
7	Definitive	Power, Legitimacy and Urgency	NZ Government WTO	KVH KNZ Zespri	NZ Government	NZ Government Regional Government
8	Non Stakeholder		KVH Regional Government	Regional Government WTO	KNZ WTO	WTO

4.4.3 Strategic Review Steering Group

Following the analysis and presentation of the results to the Forum, a Strategic Review Steering Group was formed. The steering group was tasked with reviewing analysis of the results and refining the NZ Kiwifruit Growers strategic plan. The steering group participated in a facilitated workshop and took the results back to the Forum for approval. The resulting strategic plan is outlined in Table 8. The strategic plan developed in 2006 is on the left hand side of the table whilst the refinement is identified on the right hand side. The most notable enhancement is the additional objective of being accountable for increasing transparency, robust KPI's, and reporting on Zespri and postharvest performance.

Table 8 NZ Kiwifruit Growers Strategic Plan Refinement

Current	Proposed
Vision	
A strong grower organisation that demonstrates industry leadership in which growers and other industry participants actively participate.	A strong grower advocacy organisation that leads growers and engages with industry partners.
Mission	
To represent, protect and enhance commercial and political interests of New Zealand kiwifruit growers	To advocate , protect and enhance the commercial and political interests of New Zealand kiwifruit growers
Guiding Principles	
<ol style="list-style-type: none"> 1. Maintains/strengthens the single desk 2. Increases sustainable growers/Pool return 3. Reduces complexity and duplication 	<ol style="list-style-type: none"> 1. Maintains/ strengthens the single desk. 2. Increases sustainable grower pool returns. 3. Reduces complexity and duplication (without reducing value)

The Case of New Zealand Kiwifruit Growers

<p>4. Improves market signals to growers</p> <p>5. Increases efficiency/reduces cost</p> <p>6. Makes everyone accountable in the supply chain.</p> <p>7. Increases transparency to growers.</p> <p>8. Enhances growers' commercial and political position.</p> <p>9. Is robust under the current Regulations, and a de-regulated environment.</p> <p>10. Retains grower control of the supply chain.</p>	<p>4. Improves market signals to growers.</p> <p>5. Increases efficiency/reduces cost</p> <p>6. Makes everybody accountable in the entire supply chain.</p> <p>7. Increases transparency to growers.</p> <p>8. Enhances growers' commercial and political position.</p> <p>9. Is robust under the current kiwifruit industry regulations.</p> <p>10. Retain growers' control of the industry.</p> <p>11. Decisions are based on timely and quality information presented clearly and concisely.</p> <p>12. Decisions are based on equity and fairness.</p>
Values	
<p>Selflessness: NZKGI members strive to place the interests of all growers before their own.</p> <p>Ethical: Because honesty and integrity are important to us, members should not place themselves under obligation to outside interests that might influence them and have a duty to</p>	<p>Selflessness: NZKGI members strive to place the interests of all growers before their own.</p> <p>Ethical: Honesty, integrity and collective leadership are demonstrated for the overall industry good.</p>

The Case of New Zealand Kiwifruit Growers

<p>declare any private interests relating to their NZKGI roles.</p> <p>Objectivity: Outcomes sought should strive to satisfy the aims of the 10 Guiding Principles of NZKGI.</p> <p>Professionalism: NZKGI members seek to demonstrate proficiency, competency and reliability in their work.</p> <p>Analysis: Good Business decision are based on timely, quality information presented clearly and concisely and without bias.</p> <p>Good Leadership: NZKGI members should promote and support these values by example.</p>	<p>Objectivity: Outcomes sought should strive to satisfy the aims of the 12 guiding principles of NZKGI.</p> <p>Professionalism: NZKGI members are proficient, competent, and reliable.</p>
Objectives	
<p>Develop a membership base of active growers across New Zealand to whom we provide value. <i>(Focus area: Membership)</i></p> <p>We strive to be the voice of New Zealand kiwifruit growers representing their interests throughout the kiwifruit industry. <i>(Focus area: Advocacy)</i></p>	<p>To develop an active and engaged membership base of growers across New Zealand <i>(Key activity: Labour and Education)</i></p> <p>To be the voice and a credible advocate of New Zealand kiwifruit growers. <i>(Key activity: Communications)</i></p>

The Case of New Zealand Kiwifruit Growers

<p>Position NZKGI as a credible voice for effective representation of growers. <i>(Focus area: Credible Voice)</i></p> <p>We facilitate effective communication between NZKGI and the wider industry (Growers, ZESPRI, Suppliers and Government). <i>(Focus area: Communication)</i></p> <p>Actively support and protect the single desk. <i>(Focus Area: Retain the SPE)</i></p>	<p>To facilitate effective communication between NZKGI and the wider industry and community. <i>(Key activity: External Relations)</i></p> <p>To actively support and protect the single point of entry. <i>(Key activity: Industry Stability)</i></p> <p>To act responsibly and ethically on all economic, environmental, social, and regulatory issues to the benefit of NZKGI and the wider community. <i>(Key activity: Organisational Management)</i></p> <p>To be accountable for increasing transparency, robust KPI's, and reporting on Zespri and postharvest performance. <i>(Key activity: Performance)</i></p>
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The objectives outlined in the strategic plan match the key activity areas and targets identified in the previous sections and link the NZ Kiwifruit Growers strategic plan to the organisations work plan developed following the strategic review.

4.5 Conclusion

The focus of this chapter has been on displaying, classifying and connecting the data gathered, in order to move forward in the process of developing strategy for NZ Kiwifruit Growers. A kiwifruit industry SWOT analysis was re-confirmed and was used as a starting point to focus workshop participants on producing SWOT analysis for NZ Kiwifruit Growers. The SWOT analyses identified significant weaknesses and threats which supported the development of risk matrices that led to the identification of six key activity areas. The six key activity areas were then used to categorise stakeholders of NZ Kiwifruit Growers to inform the strategic plan. The activity areas were aligned with the objectives of the organisation to form the strategic plan and work plan.

Chapter 5 - Discussion and Recommendations

5.1 Introduction

There is a significant and growing body of research on strategy formation and planning. This literature was used to inform the methodology used in this research which enabled the presentation of results in the previous chapter. This concluding chapter utilises these results to review the research objectives that were set for this thesis. This is followed by a discussion addressing the future of NZ Kiwifruit Growers compared against theory. The final section of the chapter outlines the recommendations which include a framework that may be used by horticultural organisations to develop strategy and expresses the importance of applying the lessons that can be learnt from literature throughout the development of the plan. Finally, concluding statements are made regarding the NZ Kiwifruit Growers strategic plan. This chapter consists of five sections which are: reviewing the research objectives; the future and recommendations; the proposed framework; and a concluding statement.

5.2 Reviewing the research objectives

The motives for this research were not only to develop a strategic plan that lifts NZ Kiwifruit Growers (NZKGI) performance for the benefit of NZ kiwifruit growers but also for the author to obtain her Masters in Management Studies. The latter objective requires the thesis to show that the author has gained the necessary skills and knowledge in order to organise and conduct a research project. Further a Masters dissertation seeks answers, explanations, makes comparisons and arrives at generalisations which can be used to extend theory. This thesis contributes to theory by using stakeholder theory to explain the complexities of a grower advocacy organisation and applying it in a NZ horticulture context. This thesis also contributes by providing a framework for other horticulture advocacy organisations undertaking a strategic review and considers the practical lessons that can be learnt from organisational research.

The Case of New Zealand Kiwifruit Growers

This section explores the key findings in relation to the remaining objectives of this research and highlights how these findings can be utilised in improving NZ Kiwifruit Growers so that it may be a strong robust contributor to the NZ kiwifruit industry.

5.2.1 Role

The first objective of defining the role of NZ Kiwifruit Growers within the Kiwifruit Industry was difficult to do. The workshops engaged stakeholders, and any differences of opinion could be dealt with by the facilitator. The participants worked together in the workshops to each produce a sentence that described the role of NZ Kiwifruit Growers. The six workshop clusters each produced a different sentence and the results from the questionnaire that asked growers to select the statement that best described NZ Kiwifruit Growers failed to identify a clear winner. The statement with the highest score of 26% of votes was:

*To represent growers and be the growers' advocate by:
understanding what growers want; representing growers' interests;
and maintain and improve industry performance and relationships.*

A good mission statement should roll off the tongue (Reyes & Kleiner, 1990), where this statement has over 20 words. The next highest score was 20% of votes for the statement:

Industry advocacy body working in growers best interests for a long term sustainable future.

This statement is shorter, although is ambiguous because what is long term? And what is sustainable? The process did enable a range of views to be heard by the NZ Kiwifruit Growers Forum and for them to agree on NZ Kiwifruit Growers vision and mission that were slightly revised from the previous versions. The vision was revised to 'a strong grower advocacy organisation that leads growers and engages with industry partners'. The mission of NZ Kiwifruit Growers was revised 'to advocate, protect and enhance the commercial and political interests of New Zealand kiwifruit growers'.

The Case of New Zealand Kiwifruit Growers

An organisations' purpose is more of an art rather than a science and should require imagination, imagery, and innovation (Reyes & Kleiner, 1990). The vision and mission statements of NZ Kiwifruit Growers hardly changed through this process which could have been because they never required change, or alternatively, that it was easier for NZ Kiwifruit Growers to just adopt the same statements.

The participants of the Strategic Review Steering group could have been suffering from 'group think'. Group think is when group cohesiveness is prioritised over quality decision making. Group think is also characterised by: the group insulating itself from external information and opinions; the group not systematically searching all the available options but going with the first option where there is consensus; the group being under pressure to reach a decision; and usually there is one individual that dominates the group (West, 2012). The style of the leader of the group is an important factor in the emergence of group think (Vinokur, Burnstein, Sechrest, & Wortman, 1985). Peterson and Hunt (1997) suggest that leaders who are directive about the outcome, inhibit good team decision making.

A lesson here is that an entire workshop could have been dedicated to just the development of the organisations vision and mission statements and greater emphasis could have been placed on the need for creativity and imagination. Known innovators, entrepreneurs or thought leaders, could have been utilised in this session to inspire members' creativity or individuals who have alternative or extreme viewpoints. A 'devil's advocate' could have been appointed to challenge arguments and therefore encourage team members to think more deeply, divergently and more independently (Nemeth, Brown, & Rogers, 2001; West, 2012). The use of theory on the development of effective teams prior to the formation of the Strategic Review Steering Group could have minimised the occurrence of 'group think' through reducing the dominance of key players that 'liked NZ Kiwifruit Growers mission and vision statements the way they were', and could have pushed participants to think more creatively.

5.2.2 Gaps

The second objective aimed to understand the gap between where NZ Kiwifruit Growers was and where the aspirations of the Kiwifruit Industry Strategy Project intended NZ Kiwifruit Growers to be. A gap analysis was also used by Horticulture NZ when undertaking their strategic review. In this research the gap analysis identified that the biggest opportunities for improvement were for NZ Kiwifruit Growers to: increase its focus on independent monitoring and analysis of Zespri; increase focus on supply chain performance, and to increase focus on equity between growers.

There will be challenges to increasing focus in these areas due to the unwillingness of those who currently hold the information to share the power that the information provides them. Further, unresolved conflicts between stakeholders and a lack of ability among NZ Kiwifruit Growers will also be barriers (Monroe, Plate, & Oxarart, 2013). Barriers such as trust between stakeholders and the capacity of Forum members can be overcome by intermediate steps that focus on social learning and building experiences as opposed to being an initial set of requirements (Monroe et al., 2013). Trust and capacity can be enabled by NZ Kiwifruit Growers to build overtime to achieve the organisations goals. Building on the capacity of Forum members has been incorporated into the strategic plan in part through the labour and education portfolio where the work plan outlines the key projects of identifying growers who are interested in becoming more involved and training them for industry decision making and utilising the skills of growers through the delegation of projects. Building on trust has been incorporated in the performance portfolio through the action of managing and maintaining relationships with other industry-related bodies. To be more effective NZ Kiwifruit Growers must build trust and capacity as part of the implementation of their projects.

5.2.3 Structures, Job Descriptions, Political Relationships, Industry Participants and Activities

This research has used facilitated participatory planning workshops to establish priorities, craft management plans, and formulate a strategic plan for NZ Kiwifruit Growers. These activities require participants to have a

The Case of New Zealand Kiwifruit Growers

strong understanding of the system they are involved in and a healthy ability to work together (Monroe et al., 2013). NZ Kiwifruit Growers is an Incorporated Society and its governance structure is clearly outlined in its constitution. Although the legal structure of the organisation was clear it was evident that some participants of this study were unclear about the breadth of activities that NZ Kiwifruit Growers undertook, right down to not knowing what the two full-time staff members at the time did for the organisation. The breadth of risks growers' face and the number of issues that were identified as a priority for NZ Kiwifruit Growers in this research were immense, yet many never realised the positive impacts the organisation was already making in many areas. Many of the members participating in the review were long-standing Forum members who should have been well versed in the organisations operations; however, could have been victims of a phenomenon called social loafing throughout their time on the NZ Kiwifruit Growers Forum (West, Tjosvold, & Smith, 2003). When team members are not responsible for task outcomes, a natural human behaviour is to make less effort. This is particularly relevant when members are not motivated to do the task and there is no sense of team cohesion (West, 2012).

The problem with all participants of the strategic review not being acutely aware of NZ Kiwifruit Growers operations, was that the teams were exposed to the occurrence of 'hidden profile'. Participants could have focussed on the information that all participants knew about, and ignored the information that only one or two members knew about. Even when new information was introduced the team would have been likely to unconsciously ignore it since it was not information that they all shared. This could have impacted on the outcome of the strategic review and may have contributed to the lack of change to the strategic plan. Hidden profile can be avoided by ensuring that members have clearly defined roles that each provide the team with unique and important information (Stasser & Stewart, 1992). The hidden profile phenomenon has been acknowledged in the strategic plan through the labour and education portfolio where the work plan includes the utilisation of the skills of growers through the delegation of projects. To be more effective NZ Kiwifruit Growers must go

The Case of New Zealand Kiwifruit Growers

further by giving each of the Executive Committee members a defined role and responsibility. The Executive Committee would then have the impetus to delegate some of their responsibility to Forum members leading to greater engagement and cohesion.

An outcome undertaking this research was that the projects that NZ Kiwifruit Growers undertook and how they linked to the organisational objectives and budget needed to be communicated more effectively. To do this, each of the targets identified above were given a title which became the name of the portfolio: industry stability; communications; performance; labour and education; external relations and organisational management. These were then linked to the agreed objectives of the organisation. Structuring the organisations activities into portfolios provides the organisation focus and enables more effective reporting to its constituents. Further projects can be logically allocated to each of the portfolios and can be monitored systematically and transparently. The change in NZ Kiwifruit Growers structure and reporting will have resourcing implications outlined in Appendix D – Draft of work plan.

The portfolios also enable the organisations stakeholders to be categorised more effectively. This is because NZ Kiwifruit Growers stakeholders have different priority for each of the portfolios. Political relationships and the relationships with industry participants were categorised based on whether they had one, two, or three of the attributes of urgency, legitimacy and power for each of the portfolios. Relationships, or stakeholders that had three out of three attributes, were considered the stakeholders that would get the most attention from the organisations staff and executives. Likewise, stakeholders with the least number of attributes would get the least amount of attention.

The stakeholders who are the greatest priority of NZ Kiwifruit Growers are those who have been classed as 'definitive stakeholders' utilising a stakeholder theory framework. The NZ government, and the World Trade Organisation are definitive stakeholders in the key activity area of industry stability which is about retention of the marketing structure and building upon NZ government relationships. It was acknowledged that at different times different stakeholders may also become definitive stakeholders in

The Case of New Zealand Kiwifruit Growers

the different activity areas dependent on the issue or project. The performance portfolio is about increasing the amount of independent monitoring of the industry and focusses on equity between growers. Postharvest have been labelled a 'dangerous stakeholder' in the performance portfolio as they are in the position where they can make decisions about the distribution of growers' wealth without being the legitimate owners of that wealth. The categorisations of stakeholders have been explained in depth in section 4.4.2 NZ Kiwifruit Growers Stakeholders; however, there are holes in this analysis because organisations that were not raised in the workshops were not incorporated into the analysis. For example, stakeholders such as Horticulture New Zealand, the Certified Organic Kiwifruit Association (COKA), the Green Growers Association, other product groups such as Pipfruit NZ, NZ Avocado etc., economic development agencies, and Italian and Chilean growers to name a few. The categorisations of stakeholders that were mentioned in the workshops have been captured in the targets of NZ Kiwifruit Growers as part of the strategic plan but the need for a thorough stakeholder analysis and management plan remains.

To have gained greater benefit from stakeholder theory and to have produced a more effective strategic plan the theory should have had a greater role in the development of the strategic plan by the Strategic Plan Steering Group. Had stakeholder theory been explained to the Strategic Plan Steering Group, they may have given the classifications of stakeholders a greater weighting in the development of the strategic plan. The Strategic Plan Steering Group were not given the opportunity to put thought into considering how changes to the plan might affect other stakeholders, and no consideration was given to how NZ Kiwifruit Growers may enhance advantages and reduce disadvantages for different stakeholder groups. This process would have made the proposed changes more resilient and identified potential conflicts that could be managed and dealt with (West, 2012). NZ Kiwifruit Growers now needs to address the need for a strategy for stakeholder management as part of their workplan where reactive, defensive, accommodative, or proactive (RDAP) strategies can be employed for each stakeholder in each key activity area. The first

The Case of New Zealand Kiwifruit Growers

phase of stakeholder analysis has been started in this research. The remaining phases of strategy retrieval, strategy revision, and strategy implementation remain (Lim, Ahn, & Lee, 2005). Stakeholder relationships are an important contributor to organisational performance and helps to define an organisations' purpose (Donaldson & Preston, 1995).

Stakeholder theory can also be used to NZ Kiwifruit Growers advantage by understanding what attributes NZ Kiwifruit Growers must have to be the definitive stakeholder to their key stakeholders. To be more effective, NZ Kiwifruit Growers must understand how it is categorised as a stakeholder to other organisations and how this status may impact their projects outcomes. For example, NZ Kiwifruit Growers would want to be a definitive stakeholder of the Ministry for Primary Industries when there are changes being made to any Legislation concerning the kiwifruit industry. NZ Kiwifruit Growers would want use their legitimacy, power, and urgency to influence government officials and ensure that the outcome of any changes to the Legislation were in the favour of NZ kiwifruit growers. Where a project is of high priority or high risk, NZ Kiwifruit Growers can consider actions that will enhance NZ Kiwifruit Growers legitimacy, power, and or urgency to stakeholders who have the ability to influence the outcome of a project (Mitchell et al., 1997). Ideally, NZ Kiwifruit Growers would position itself as a definitive stakeholder to all other key players in the kiwifruit industry, including Zespri, postharvest and the NZ government.

5.3.4 Priorities

To mitigate the NZ kiwifruit industry and NZ Kiwifruit Growers risks that were described in 4.4.1 Risk Analysis, priorities for the organisation were established. The key priorities of NZ Kiwifruit Growers were based on the SWOT, gap and risk analyses followed by the development of areas of focus for the NZ kiwifruit industry and NZ Kiwifruit Growers. The similarities between the areas of focus were found and linked and the result was six targets or priorities recommended for NZ Kiwifruit Growers strategic plan.

The Case of New Zealand Kiwifruit Growers

The first target is for NZ Kiwifruit Growers to have increased focus on the stability of the marketing structure and to retain and build upon NZ government relationships, which were both identified as a priority focus for NZ Kiwifruit Growers in the data collection. Industry stability and government relationships were put together because government relationships are vital in ensuring the stability of the Single Point of Entry. This target also encompasses the need for NZ Kiwifruit Growers to be the mediator in conflict situations throughout the industry to minimise the threat of destabilisation and government lobbying on any changes to the WTO ruling regarding the Single Point of Entry, foreign intervention, or any changes to Legislation that may negatively impact on the livelihood of NZ kiwifruit growers.

The second target is for NZ Kiwifruit Growers to build a truly engaged grower base who receive clear, transparent, and efficient communications, who are able to vent their frustrations and obtain support through adverse events. Grower engagement and preventing grower confusion was identified as a priority for NZ Kiwifruit Growers in the data analysis to mitigate industry risk, whilst providing a “release valve” for growers to vent their frustrations was of tertiary focus. Although these were separate issues in the data collection they were brought together in the analysis as enabling growers to express their view was considered a key aspect successful engagement. Respectful communication requires thoughtful listening (Dreher, 2002), and open communication is essential for ongoing growth and empowerment of thriving organisations (Senge, 1994). Striving for this target was intended to avoid alternative bodies being desired and created that could result in a challenge to the Single Point of Entry. Ensuring an engaged and energised grower Forum, ensuring engagement of the grower pool and ensuring Forum members have respect for the Executive Committee and growers have respect for the Forum, were all priorities for NZ Kiwifruit Growers to mitigate the risks of the organisation. This was supported by improved communication networks to aid in effective dissemination of information.

The third target is for NZ Kiwifruit Growers to have increased focus on independent monitoring of: Zespri; supply chain performance; equity

The Case of New Zealand Kiwifruit Growers

between growers; and ongoing research and development, whilst maintaining relationships with industry-related bodies. Target three may be perceived as being similar to target one; however, they are completely different concepts. Target one concerns the structure of the industry at a high level, whilst target three focusses on the operational detail of the industry. This target recognises the outcomes of the Kiwifruit Industry Strategy Project and a priority of NZ Kiwifruit Growers to mitigate industry risk identified in this review of 'more challenging and accountable monitoring of Zespri and postharvest performance'. This encompasses being the accountable body that monitors, challenges and manages Zespri, to ensure that grower interests and grower returns are always at the heart of everything that Zespri does. It also includes monitoring and reporting on the supply chain payment deliberations that effect grower payments and equity and establishing measurable KPI's for monitoring of Zespri. The target also includes ensuring that growers have access to supply chain data that is clear and easy to understand. A secondary focus for NZ Kiwifruit Growers was combined in this target of monitoring research and development to ensure that a balanced view is achieved for new varieties, and a tertiary focus that technological research and development is happening within NZ that will keep the NZ industry ahead of competition. These secondary and tertiary focusses were included in this target because expenditure on research and development, and what research and development is underway, should be part of monitoring Zespri considering Zespri manages the research and development programme on behalf of growers.

The fourth target is for there to be sufficient orchard ownership and labour to meet current and future demand at all levels. Labour and Education were identified as secondary and tertiary priorities for NZ Kiwifruit Growers to mitigate industry and organisational risk. This target includes learning and development for growers to take on leadership roles, succession planning for orchard ownership, utilising the skills of representatives on industry groups, and ensuring that there is sufficient labour at all levels including seasonal and permanent labour.

The Case of New Zealand Kiwifruit Growers

The fifth target is for NZ Kiwifruit Growers to retain and build on local and local government relationships whilst being the advocate for kiwifruit on wider issues such as resource management, and health and safety.

Regional government was not separated from the national government in the data collection and all government relationships were categorised as a priority focus for NZ Kiwifruit Growers to mitigate industry risk. In this target, regional government has been separated as regional government because district plan changes can have disastrous implications for kiwifruit growers if they go unchecked, that can hinder industry growth and block development. This target will help to ensure that the rural sector is given as much importance in resource allocation decision-making as the urban and industrial sectors. Further, regional government can provide support to the industry by providing services that contribute to the industry's ability to grow, such as the provision of accommodation at the peak of the season. Other local relationships are encompassed in this target because groups such as Economic Development Agencies have the ability to provide resource to support NZ Kiwifruit Growers projects.

The final and sixth target is for NZ Kiwifruit Growers to be a professional and well-run organisation with maximum benefit for the levy investment received. This target encompasses the priority target of being accountable for running an inclusive, co-ordinated, professional body and also the overarching Kiwifruit Industry Strategy Project principle of acting responsibly and ethically on all economic, environmental, social, and regulatory issues to the benefit of NZKGI and the wider community.

5.3.5 Risks

Prior to identifying NZKGI's priorities or assessing NZKGI's activities, a risk assessment was undertaken for both NZ Kiwifruit Growers and the Kiwifruit Industry. The risk assessments were supported by SWOT analyses and finalised by the NZ Kiwifruit Growers Forum. The risk assessment identified that the NZ kiwifruit industry was at risk of disenfranchised growers. Other high priority risks that were raised, related to the stability of the NZ kiwifruit industry's marketing structure and supply chain as well as resource-based risks, such as access to water and

The Case of New Zealand Kiwifruit Growers

labour. Many of these risks were categorised as certain or likely and were a precursor to what was identified in the NZ Kiwifruit Growers risk matrix.

Ordinarily, it could be expected that the grower representative organisation would prevent growers from becoming disenfranchised. However, in the NZ Kiwifruit Growers matrix it was evident that there was a loss of respect for the leadership of the organisation, and the organisation was experiencing disengagement from its representatives which could lead to a disenfranchised grower pool. Social networks have been shown to influence commitment of participants involved in projects, and commitment is enhanced when two of an individual's contacts are connected to each other (Nangoli, Ahimbisibwe, Namagembe, & Bashir, 2013). Forum members are all kiwifruit growers, but due to the Single Point of Entry they do not compete directly with one another. The relationship between Forum members is competition-neutral and members should share business-related goals and those of the growers they each represent. To prevent further disengagement, the social aspects and the ability of this network to support Forum members personal goals must be enhanced to promote shared values and commitment (Andrésen, Lundberg, & Roxenhall, 2012).

The reduction of growers on the Forum could make it easier for Forum members to get to know one another, speeding up commitment development in the new NZ Kiwifruit Growers Forum (Andrésen et al., 2012). The intention of the Kiwifruit Industry Strategy Project was to reduce the numbers to get closer to the optimal board size where organisations with larger boards have been found to perform more poorly, compared to industry standards (De Andres, Azofra, & Lopez, 2005; Pfeffer, 1972). The reduction of Forum members was imposed on the Forum by the Kiwifruit Industry Strategy Project referendum and was not supported by the majority of Forum members and ultimately led to ten members losing their positions. Forum numbers were last reduced from 42 down to 37 in 2006 when NZ Kiwifruit Growers last conducted a strategic review. If left to a Forum vote, the numbers of positions on the Forum would not have been reduced, and if given the opportunity the Kiwifruit Industry Strategy Project referendum result would have been overridden. The lesson from this was, that to make revolutionary change in an

The Case of New Zealand Kiwifruit Growers

advocacy organisation, the wider grower population must be consulted. A strategic review alone would not have provided sufficient authority to convince Forum members to vote for a reduction of members on the board. A future research topic maybe to consider the impact of board size in advocacy organisations on 'group think' mentality. Reducing the NZ Kiwifruit Growers Forum could have removed the members that were considered to be 'difficult' and at the same time removed the stimulation that was provided to the group by their dissenting views leading to reduced innovation and creativity (West, 2012).

5.3.6 Strategic Plan

A steering group of the Forum was selected to take the results of the research and review the existing vision, mission and values of NZ Kiwifruit Growers and ascertain whether and change was required. Ideally, the group would have not revised the existing 'strategic plan' but started fresh; however, this approach was not supported by a dominant personality in the NZ Kiwifruit Growers Forum, who was adverse to substantive change of the plan when starting this strategic review. A dominant personality in a team can impact on the team's performance as the dominant personality can take up a disproportionate amount of 'airtime'. This has a negative impact when the individual does not have the expertise. There is also the potential to have egocentric members who are unwilling to consider opinions opposing their own (West, 2012). Other members may have significant knowledge or expertise but their personality and/or communication skills prevent them from offering their opinions assertively (Brown, 2000). In the case of the NZ Kiwifruit Growers Strategic Review Steering Group the team was aware of the aversion to change and may have been subject to social conformity. Social conformity is where members go along with the majority view, particularly when there is a dominant view, even if they disagree with the position (Brown, 2000).

With the approval of the Forum the steering group had a facilitated session that resulted in recommendations of minimal change to the vision and mission of the organisation, values being re-worded and or re-classified as guiding principles, and objectives being modified and or added to the plan.

The Case of New Zealand Kiwifruit Growers

The strategic plan lacks the imagination, imagery, and innovation required to align members and support organisational performance (Reyes & Kleiner, 1990). One of the outcomes was for one of the activities that was identified as a priority for NZ Kiwifruit Growers in the data analysis to be recognised in the strategic plan through the organisations objectives. This was the addition of the objective making NZ Kiwifruit Growers accountable for increasing transparency, robust KPI's, and reporting on Zespri and postharvest performance. This objective originated from the Kiwifruit Industry Strategy Project and was supported in the strategic review. Previously the priorities/key focus areas and objectives did not specifically align to projects in NZ Kiwifruit Grower workplan. In the new strategic plan, the priority areas have been each given targets that relate to portfolios that directly correspond to the organisations objectives that were finalised by the Steering Group. The benefit of the targets is that they link the priorities identified in the data collection and analysis with the outcomes of the Steering Group.

The facilitated participatory planning workshops involved and took Forum members on the journey of strategy formation for NZ Kiwifruit Growers. This led to support for NZ Kiwifruit Growers strategic plan but also led to minimal change of the plan which may not have been the best outcome. The Strategic Plan Steering Group did not necessarily take all the information from the data collection into account, and were able to push the facilitator to get their own desired outcome that may have been the result of social conformity. This resulted in a disconnection between the results of the facilitated participatory planning workshops undertaken by growers and Forum members, and the facilitated session with the Strategic Plan Steering Group. The application of theory could have prevented this disconnect through the utilisation of techniques such as 'the stepladder technique' for decision making proposed by (Rogelberg, Barnes-Farrell, & Lowe, 1992). The technique prevents social loafing and social conformity by each member of the team being required to submit their views prior to hearing the views of other team members first. The approach leads to a greater range of ideas and divergent perspectives that lead to constructive debate and better quality decision making (Tjosvold,

1998). The stepladder technique also prevents poor decision making that is related to a phenomenon called 'satisfying' which is the tendency to approve the first acceptable solution as opposed to identifying a range of solutions and identifying the best option (Lam & Schaubroeck, 2000).

To remove the disconnection and include NZ Kiwifruit Growers priorities, the targets that were identified in 5.3.4 Priorities, were developed separately from the group and linked to the objectives. This is not necessarily a bad thing as an individual working alone has been shown to generate just as many, and just as good ideas, as in a brainstorming group (Paulus, Nakui, Putman, & Brown, 2006). However, the problem remains that participation is important when there is change in order to gain commitment and reduce resistance (Heller, 1998). The strategic plan now has both objectives and targets, where targets and objectives could have been one in the same if the outputs of the Strategic Review Steering Group had have been optimised. This could have been prevented if theory had have been applied by having the right rules in place, such as the separate generation of ideas from evaluation, keeping the group focussed the generation of ideas, and building on others' ideas (Paulus et al., 2006). Further, the facilitator for this phase of the process needs to be strong, and respected in the industry so that they may not be pushed into outcomes by dominant personalities that are not based upon the results of the data analysis.

5.3 The future and recommendations

This section of this chapter assesses what the desired future for NZ Kiwifruit Growers is, and the challenges that will need to be addressed if this desired future is to be achieved. In the opinion of the researcher, the desired future for NZ Kiwifruit Growers is its vision developed during the sessions to be strong grower advocacy organisation that leads growers and engages with industry partners. It must be acknowledged that this research was conducted through a period of change where the Kiwifruit Industry Strategy Project referendum had mandated that the Forum membership would be reduced from 37 to 27 members, a result in which many Forum members did not agree with. This could have led to the

The Case of New Zealand Kiwifruit Growers

occurrence of team defence mechanisms that may have altered the behaviour of participants of the study in order to prevent turmoil and reduce pain or embarrassment of the NZ Kiwifruit Growers Forum (West, 2012). Forum members may have maintained superficial cohesion to avoid addressing their own performance problems. An example of a defence mechanism is when team members blame the organisation, senior team members or resourcing for the difficulties the team is facing (West, 2012). It was evident in the NZ Kiwifruit Growers SWOT analysis, that the Executive Committee and Chairman of NZ Kiwifruit Growers were blamed by Forum members for the weaknesses of NZ Kiwifruit Growers, when ultimately the Forum is responsible for instructing the Executive Committee. It must be acknowledged that this outcome may have been the result of the NZ Kiwifruit Growers Forum defending itself from the results of evaluating their own performance.

The NZ Kiwifruit Growers Forum elections held in December 2015 reduced the Forum and resulted in the Vice Chairman being made Chairman, an existing Executive Committee member being made Vice Chairman and one new Executive Committee member that had not previously been on the Forum being elected. Also, the Chief Executive Officer resigned and finished at NZ Kiwifruit Growers at the end of December after ten years as CEO. The new Executive Committee, Forum and new Chief Executive Officer who joined in mid-April had a fresh start to finalise the outcomes of this review and implement its outcomes so that NZ Kiwifruit Growers could reach its vision. This changing environment may have had an impact on the outcome of the strategic plan because participants may not have felt safe enough to explore the different options for NZ Kiwifruit Growers. To feel safe in a team, teams must have a clarity about their goals, regular interaction, appreciation and recognition, and humour (West, 2012).

The election was well timed as a key aspect to reaching this vision was for the Executive Committee to gain the respect of the Forum and for both the Executive Committee and the Forum to be more active members of the organisation. The Forum elected the Executive Committee to ultimately have put in office, those members that they respect most. The new strategic plan and portfolios developed in this research have provided

The Case of New Zealand Kiwifruit Growers

clarity to the Forum and Executive Committee and has enabled the Executive Committee to add to NZ Kiwifruit Growers key projects to meet the targets of the portfolios and objectives of the organisation. A key project identifying in this research was that the skills of Forum members needed to be identified, and for NZ Kiwifruit Growers' committees and groups to be expanded to include sub-groups that work together to solve industry issues and make recommendations to the Forum. Although many of the activities that have since been identified by the Executive Committee following the strategic review are the same as what NZ Kiwifruit Growers were already doing, there is greater awareness of what those projects are, why they are being done, how much resource is required to complete them, and for the progress of those projects to be monitored and transparent. To maintain members' commitment, it is important for NZ Kiwifruit Growers to give each Executive Committee representative ownership of one portfolio that they are responsible for and report on to growers. By ensuring that members have clearly defined roles that each provide the team with unique and important information, will prevent information that all members don't know about being ignored (Stasser & Stewart, 1992). The Executive Committee would then be more likely to delegate tasks to Forum members to help them achieve the objectives of their portfolio which would support greater team cohesion.

The Forum and Executive Committee members needed to have greater involvement in NZ Kiwifruit Growers which has led to increasing Forum member remuneration as an outcome of this strategic review. Forum members are involved in many sub-committees and this has meant members outside of the Bay of Plenty are required to travel more regularly. The additional meeting fees have been offset by the reduction in the number of Forum members.

The changes to the Executive Committee and Forum could mean they will become a more proactive and a higher functioning team because they may feel like being a Forum member is more important to them and feel the group is more significant to them. When this happens the group will demonstrate productivity beyond their calculated potential productivity, which is also known as the labouring effect (West, 2012). The labouring

The Case of New Zealand Kiwifruit Growers

effect is also more likely to occur when team performance is measured and in groups that have a strong identity (Worchel, Rothgerber, Day, Hart, & Butemeyer, 1998). Following the finalisation of the strategic plan and the arrival of the new Chief Executive Officer, a new logo was developed for NZ Kiwifruit Growers that will enhance the organisations identity. A change in name was out of the question but a vibrant, modern logo to match the organisations rejuvenation and the use of the organisations acronym NZKGI in the logo, were also positive steps towards the organisation being recognised and viewed more appreciatively by its stakeholders. To build on this, a new interactive website and methods for connecting with growers needs to be devised to be able to effectively lead growers and engage with industry partners. NZ Kiwifruit Growers still needs to develop measures for team performance in order to enhance their identity, further encouraging the labouring effect.

To have greater legitimacy as an advocacy organisation for NZ kiwifruit growers, NZ Kiwifruit Growers must increase its activity in reporting on the performance of the NZ Kiwifruit Industry. The additional objective in the strategic plan specific to performance and the creation of the performance portfolio linked to that objective will enable NZ Kiwifruit Growers to put more emphasis on monitoring. However, to maintain and enhance NZ Kiwifruit Growers existing projects, support a higher functioning Forum, add additional projects on performance, and be proactive opposed to reactive in responding to industry issues, NZ Kiwifruit Growers will require additional staff resourcing.

The strategic review has identified a diverse range of priorities for NZ Kiwifruit Growers. The number and diversity of priorities need to be reduced or resourcing needs to be found if the priorities are to be maintained. The strategic review identified that the breadth of risks growers' face and the number of issues that were identified as a priority for NZ Kiwifruit Growers suggest there could be a separate manager for each portfolio. NZ Kiwifruit Growers could have a staff leader/manager for each of the portfolios that reports to a specific Executive Committee member and the Chief Executive. Having a leader for each portfolio as opposed to being spread over multiple portfolios, will enhance the clarity of employees

The Case of New Zealand Kiwifruit Growers

roles and combined with high job security will lead to increased performance (Fried et al., 2003). To reach this level of resourcing, NZ Kiwifruit Growers will need an increase in their levy. The Executive Committee should ask growers at the 2016 Annual General Meeting for an increase in levy to support the employment of at least one additional staff member who will be focused on delivery in the performance portfolio and the delivery of the Kiwifruit Industry Strategy Project outcomes in this activity area. NZ Kiwifruit Growers will need to re-apply for a continuation of its levy before it expires in February 2018. In this application, a request to lift the maximum levy limit needs to be made.

The NZ Kiwifruit Growers Executive Committee should continuously monitor the organisations legitimacy, power, and urgency to its stakeholders and use this knowledge to achieve better outcomes for its projects. It would be beneficial for the NZ Kiwifruit Growers to conduct action research as described in 3.3 Case study research using this study as a basis to monitor the outcomes of these changes, and whether further changes are required to reach its objectives, and build a strong grower advocacy organisation that leads growers and engages with industry partners into the future.

5.4 The proposed framework

This section proposes a framework by which strategy could be developed and implemented. The literature on strategy formation offered the researcher insight to different perspectives and informed the methods that were used to conduct the research. Further, research into the strategic plans of other horticulture industry organisations was helpful in providing a basic framework to build on for this research. Research into facilitated participatory planning highlighted the benefits of external facilitation and led to more openness and objectivity by research participants. The review of stakeholder theory will enable NZ Kiwifruit Growers to be more effective to its stakeholders and leverage more out of its stakeholders'. Ultimately this research has been the benefactor of the learnings of others, and this section aims to contribute to that research by offering a framework that brings it all together incorporating the learnings from this research.

The Case of New Zealand Kiwifruit Growers

The proposed framework follows a high level process of strategic analysis, strategic planning, implementation, and monitoring and is displayed in Figure 26 below. The framework follows the process utilised in this research and is appropriate for the other advocacy organisations wishing to undertake a strategy review. Strategic analysis consists of reviewing the relevant documents, reviews and reports. In adhocracy or entrepreneurial type organisations like NZ Kiwifruit Growers, this stage this review may be brief due to limited resources and availability of information. Therefore conducting a SWOT Analysis of the industry that the organisation operates in with people who have the best information, has been incorporated into the framework. The industry SWOT Analysis also provides the starting point for facilitated participatory planning workshops in the next stage of the framework.

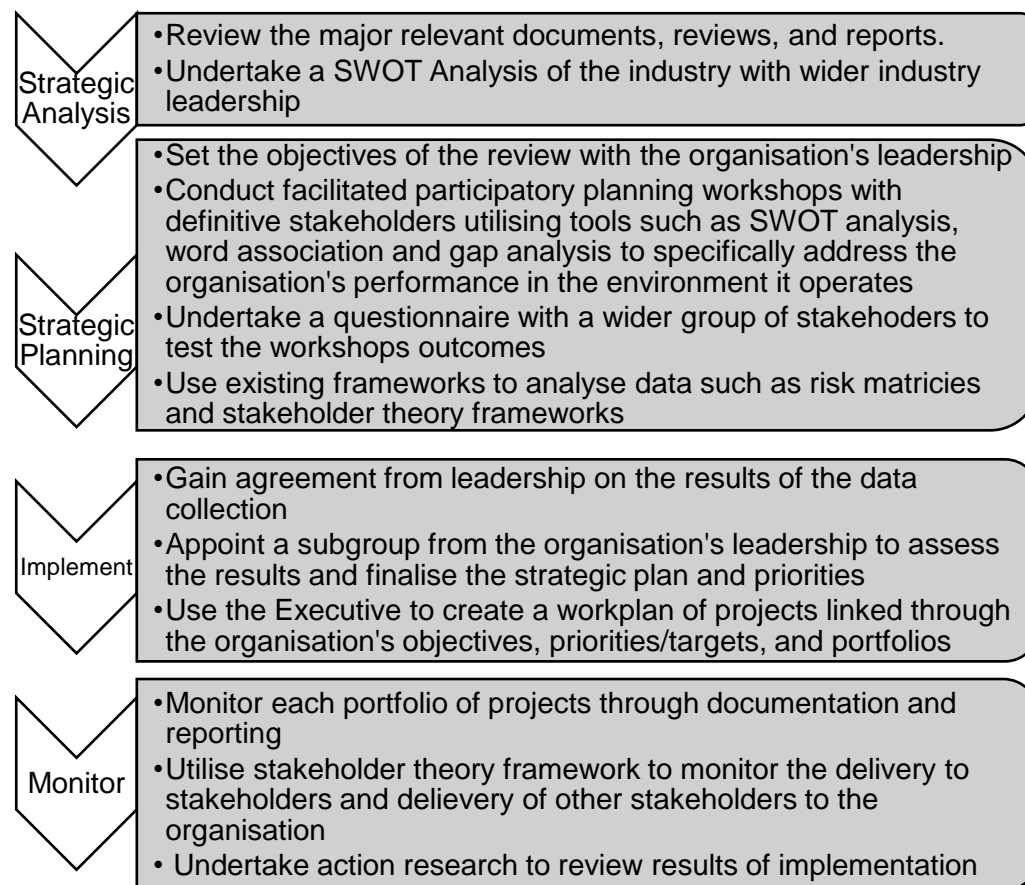
Strategic planning includes obtaining agreement from the organisations leadership on the objectives of the review. Once the objectives are agreed the facilitated participatory planning workshops can be planned around those objectives. The outcomes of those workshops can then be tested with a larger group of stakeholders. Following analysis of the data collected the results need to be presented back to the organisations leadership.

In order to implement the outcomes of the review, there must be agreement on the results. On obtaining agreement on the results it is important for a subgroup to be given the mandate of assessing the results in more detail and finalising the strategic plan and priorities of the organisation. This group then reports back to the organisation's leadership, with their recommendations. It is then the organisation's staff and Executive Committee who utilise the strategic plan, and the results of the review to create into a work plan that links to the organisations objectives, priorities/targets, and portfolios.

The final stage of the framework is to monitor the organisation's projects and ensure that they maintain their relevance to the organisation's priorities and objectives. Stakeholder theory should be utilised to monitor the organisation's delivery to its stakeholders, and stakeholders to the organisation. The success of the changes made to the organisation can

The Case of New Zealand Kiwifruit Growers

also be monitored utilising action research. In action research, a problem is diagnosed, action is taken, and the learnings are evaluated and specified. This enables organisations to understand their practice in order to improve their dealings with others.



LESSONS:

- Understand that to make revolutionary change the wider grower population must be consulted
- Apply research on what makes a good vision and mission statement, and dedicate an entire session with emphasis on creativity and imagination
- Consider how 'group think' and 'social conformity' can be minimised through techniques such as the 'stepladder' or appointing a 'devil's advocate'
- Consider undertaking stakeholder analysis in parallel to strategic plan development to reduce disadvantages and increase advantages of plan change to stakeholders
- Consider how the strategic plan can be leveraged to build trust with stakeholders and the capacity of members
- Consider how the organisation can leverage the plan to position itself as a definitive stakeholder to others
- Prevent 'social loafing' by making team members responsible for task outcomes and promoting motivation and team cohesion
- Give team members clearly defined roles to prevent 'hidden profile'
- A strong facilitator is required to present the data analysis and prevent dominant personalities overriding it and determining the outcome of the plan
- Prevent expediency from overriding the robustness of the plan

Figure 26 Proposed Framework for Strategic Planning for Advocacy Organisations in the NZ Horticulture Sector

The Case of New Zealand Kiwifruit Growers

The framework is suitable for other grower advocacy organisations or advocacy organisations that do not normally consult literature to undertake their strategic review. Not all strategic planning exercises in the horticulture industry follow proper process, and in many cases, prioritise expediency over robustness. The literature on effective teamwork and stakeholder theory are unlikely to be considered and a framework is unlikely to be followed. The expertise and knowledge of industry leaders is heavily relied upon, and in many cases, these leaders have dominant personalities and dictate the outcome of the review from the start. Real value can be added the delivery of the horticulture industry and its industry bodies if literature was consulted and it was used to think creatively and imaginatively and determine the industries future outside of the confines of a few peoples knowledge base. The stakeholders of advocacy or industry - good organisations are their currency. If the organisation's strategy and industry's strategy is determined by dominant personalities, then there will be groups that are not represented by those personalities which lead to those groups not being represented.

When advocacy organisations undertake their strategic review they should include thought leaders outside of the membership of the organisation. The purpose of this is to promote new ideas and inspiration from others who have had different experiences and see the industry from a different perspective. It could also prevent the occurrence of 'group think' and 'social conformity' (West, 2012). New or alternative perspectives may have incited greater engagement and interest, and lessened the impact of members who are against change on the final result. Innovation and creativity is a skill (Johnston & Bate, 2003) that can be brought into the process of strategy formation.

The facilitators that are employed to run the workshops have an influence on the outcome of the review. It is not necessary to have the same facilitator for strategic planning and implementation stages of the framework. The facilitator from the strategic planning stage requires the ability to run a workshop and get participants to contribute and to collect the data. The facilitator in the implementation phase requires an additional level of knowledge and respect in order to derive new and innovative

The Case of New Zealand Kiwifruit Growers

outcomes from that data. It would be prudent for the facilitator from the strategic planning stage to meet with the facilitator from the implementation phase to review the results from the strategic planning stage. The skills of different facilitators can be leveraged to achieve better outcomes.

Without the Kiwifruit Industry Strategy Project referendum, the number of members on the NZ Kiwifruit Growers Forum would not have reduced in size. It is important to acknowledge that it is likely that if an advocacy organisation needs to make revolutionary change, like significantly reducing its governance board, the wider membership population will need to be consulted and vote for the change.

5.5 Concluding statement

The goal of this research was to develop a strategic plan that lifted NZ Kiwifruit Growers' performance for the benefit of NZ kiwifruit growers. This research has gone beyond developing a strategic plan and has provided NZ Kiwifruit Growers with a structure that flows from the organisations objectives in its strategic plan, right through to the actions that will be undertaken in the organisations workplan and identified in the organisations budget. The structure will improve the transparency of NZ Kiwifruit Growers operations and clarity of NZ Kiwifruit Growers role to its constituents, and the division of responsibility that is encompassed within these changes will ultimately improve the organisations performance. The research has established priorities for the organisation which included increased monitoring of performance and enhanced communication and will focus the organisation on what matters most to NZ kiwifruit growers.

Towards the end of the process of undertaking the review of NZ Kiwifruit Growers, it became evident that the application of effective teamwork literature would have led to the development of a better strategic plan with enhanced creativity and imagination. Further, that stakeholder theory could have played a much greater role in strategy development. Targets were established to rectify a disconnection that was identified during the strategy formation process between the organisation's priorities and the strategic plan caused by ineffective teamwork. These lessons can be

The Case of New Zealand Kiwifruit Growers

generalised and used to aid in supporting other advocacy organisations in strategy formation. A framework has been developed that accounts for the lessons learnt throughout the process of forming NZ Kiwifruit Growers' strategic plan. It is hoped that this research will educate others about the unique structure of the NZ kiwifruit industry and how and why its growers are represented, and that other advocacy organisations can learn from the NZ Kiwifruit Growers experience of strategy formation.

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Appendices

Appendix A – Discussion guide

NZKGI DISCUSSION GUIDE GROWER FORUM CONSULTATIONS

Introduction and Warm Up (10 mins)

- Introductions, purpose of the consultation, group exercise.
- GROUP EXERCISE: Please can you take a minute to tell us a little about yourself, plus three things about you that will surprise others.

Ratify the Kiwifruit Industry SWOT 2016-2021 (10 minutes)

- EXERCISE: RED & GREEN PEN
Each respondent given a copy of the SWOT and asked to highlight in green the comments they agree with, and in red the comments they disagree with
- *Let's discuss any changes or additions that you think need to be made to any part of the SWOT*

NZKGI: Overall Current Perceptions (10 mins)

USE ONLY IF REQUIRED IN THE SESSION: *During the course of this session we do not want to get into the debate about the changes that have already been implemented to the forum. Nothing that is said in this session can change that. So we really want to focus on the future and how best to leverage and expand impact and return for growers.*

- *Before we go into the detail, it would be good if you could briefly tell us what you think about the organisation that is NZKGI.*
 - *Please can you give us a little insight about how you personally contribute to the organisation*
 - *How well do you feel that the organisation supports your growers / constituents*
- *Open discussion: moderator to prompt fully until all details have been provided*
- *When I say the NZKGI, what words immediately come to mind? Please give me the first words that come into your head. Prompt what else*
- EXERCISE: Word Association - Moderator to write on the flip chart
- *So, tell me in your view what is the role of this organisation?*
- *How well does the organisation do in fulfilling that role?*
- *Ignoring the recent changes to the Forum numbers, what other changes, if any, do you think still need to be made to the structure / working processes of NZKGI, that will leverage and expand impact and return for growers?*

The Case of New Zealand Kiwifruit Growers

Strengths & Weaknesses (30 mins)

- STIMULUS:
 - A1 paper – Headed Strength Weakness

We would now like to explore NZKGI in a bit more detail.

- *Let's start by thinking about what NZKGI's strengths are currently. Explore fully*
MODERATOR TO WRITE ON FLIP CHART; ONCE ALL IDEAS ARE EXHAUSTED...
- *And now let's think about NZKGI's weaknesses*
MODERATOR TO PROMPT THROUGHOUT WITH LEADERSHIP TEAM AND
INTERNAL PROJECT TEAM OUTPUTS
 - EXERCISE: SW (of SWOT)

Threats & Opportunities

- STIMULUS:
 - A1 paper – headed Threats & Opportunities

We have fully explored the strengths and weaknesses, what we now want to do now is understand the threats to and opportunities for NZKGI over the next few years.

- Discuss the threats and opportunities to the successful continuation of NZKGI
- *MODERATOR TO PROMPT WITH LEADERSHIP TEAM AND INTERNAL PROJECT TEAM OUTPUTS*
- EXERCISE: OT (of SWOT)

Future of NZKGI (15 mins)

Looking at the areas of weaknesses and potential threats you have identified both to the Industry and to the successful continuation of NZKGI, we would like to understand what you want NZKGI to do to minimise these. We would like you to identify the five areas that you think are most important for NZKGI to focus on over the next few years. You can choose areas from the Industry SWOT or the NZKGI SWOT. Using the green dots provide, please mark the issues that you want NZKGI to focus on. You can choose up to five issues

- EXERCISE: Identify top 5 areas with sticky dots, assign pairs to write down the key issues to focus on within the topic selected. Then present this back to the group
- *MODERTOR TO PROMPT GROUP FOR EACH AREA OF FOCUS*
 - *Is there anything else you would like to add to minimise the weakness/threat?*
 - *Which third party relationships does the organisation (NZKGI) need to develop in order to achieve these?*
 - *Prompt political relationships*
 - *What skills need to be brought into the team to achieve this?*

The Case of New Zealand Kiwifruit Growers

- *When do you think this should happen?*

Now very quickly can you repeat the exercise – this time using the red dots to highlight issues that NZKGI should not consider as a key area of focus over the next few years.

- *How do you think NZKGI could improve its operations in the future?*
 - *How do the different sub-groups work together?*
 - *Communication*
 - *Training/ Grower support*
- *And how does the structure (excluding the number of forum members) need to adapt to enable that to happen?*
 - *What skills do the NZKGI team need to have?*
 - *Are any skills missing?*
 - *What improvements could be made?*

Explore Current NZKGI Performance and KISP Aspirations (10 mins)

We would now like to take a few minutes to think about the KISP project, and understand what you feel the role of NZKGI is in the implementation of that that project.

Spontaneous conversation. Moderator to prompt with the objectives below, if not mentioned spontaneously

- *Communicate more effectively with Growers*
- *Better independent monitoring and analysis of Zespri*
 - *Ensuring regular feedback to the growers*
- *Empower the supply entities for growers*
- *To be seen as independent, robust and respected*
- *Act responsibly and ethically on all economic, sustainability, environmental, social and regulatory uses*
-

GROUP EXERCISE: GAP analysis

For each “role” / objective mentioned - Moderator to explore:

- *How well do you think this has been addressed to date?*
 - *Why do you think that?*
 - *What have you seen / heard to support that?*
- *What else needs to be done to improve?*

Strategy of NZKGI (30 mins)KISP

Thinking about all the things we have discussed today, we would like you to work in pairs to come up with a sentence that encapsulates the role/ purpose of NZKGI for the next 5 years.

PAIRS EXERCISE: Produce statement and present back to the rest of the group

- *As a group we would now like to pull these together to come up with one statement that encapsulates the role of NZKGI for the next five years*

The Case of New Zealand Kiwifruit Growers

- *We had some ideas earlier. Let's take a look at these. **MODERATOR TO GIVE EACH RESPONDENT THE SET OF CONCEPTS.** We'd like to get your opinion on these. If you could look at each one and underline in red the words / phrases that you do not think are right for NZKGI, and underline in green the words / phrases that you think are appropriate, that would be really helpful*
 - The growers union attacking anyone that sets against the grower good, the union official who shakes the tree
 - Representing and enhancing grower interests - politically and commercially
 - To be an effective advocate for grower ambitions politically and commercially
 - To be the commercial and political advocate for grower interests and to measure and monitor the performance of all other industry participants
 - To empower growers by
 - Political representation
 - Measurement and calibration of government bodies
 - Ensuring a sound industry springboard is in place
 - A strong grower organisation that demonstrates industry leadership in which growers and other industry participants actively participate
- EXERCISE: Red and green pen elements of each statement (including current mission). MODERATOR TO WRITE DOWN ALL THE RED PHRASES / WORDS ON ONE PIECE OF PAPER AND ALL THE GREEN WORDS / PHRASES ON ANOTHER***
- *Looking at these words / phrases would you like to make any changes to the group's best statement? Explore fully the reasons for the change*
 - *Ok, last tasks for this session... we would now like to look at the existing strategy summary for NZKGI. We would like you to work in threes now, one trio to take the objectives, one trio the values and one trio the Guiding Principles. We would like you to discuss how these may need to change to be appropriate for the next 5 years – making sure that you take into account the Mission Statement that you have written here. The objectives, values and guiding principles all have to work together to ensure that the mission can be delivered.*
 - *Each trio will present back there suggested changes for the rest of the group to debate. So let's start with the objectives.....*

Thank you, now let's review the values

Thank you, and finally the guiding principles.....

CLOSE (5 mins)

Appendix B – Information sheet



Strategic Review of an Industry Organisation

ETHICS INFORMATION SHEET

Researcher(s) Introduction

Kate Longman, is the Business Analyst for New Zealand Kiwifruit Growers Incorporated (NZKGI). Kate has been tasked by NZKGI's Forum to lead a Strategic Review of NZKGI following the Kiwifruit Industry Strategy Project (KISP). The purpose of the review is to develop a strategic plan for NZKGI over the next 5-10 years. The review will also contribute towards Kate's Masters in Management Studies (Agriculture) from Waikato University. The project has been reviewed by the Waikato Management Schools Ethics Committee and has been granted ethics approval. A research company has been contracted to support data collection. Professor Jacqueline Rowarth and Professor Frank Scrimgeour of Waikato University will supervise the project.

Project Description and Invitation

The strategic review objectives are:

- To define NZKGI's role within the NZ kiwifruit industry.
- To identify the gaps between NZKGI's current function and the aspirations of the Kiwifruit Industry Strategy Project.
- To analyse NZKGI's structures, job descriptions, political relationships, industry participants and activities to leverage and expand impact and return for growers.
- To identify NZKGI's priorities.
- To identify risks and how to mitigate kiwifruit growers future risks.
- To review the current vision, mission, and values of NZKGI ascertaining whether change is required.
- To develop a strategic plan that lifts NZKGI's performance for the benefit of NZ kiwifruit growers.

A range of consultation methods will be used to meet these objectives as outlined in 'Project Procedures' *below*.

Due to being a kiwifruit grower in New Zealand ***you are invited to participate in this research.***

Participant Identification and Recruitment

The review will start with facilitated sessions with elected NZKGI Forum members. Following Forum member consultation all kiwifruit growers are invited to participate in the strategic review through filling in an online survey. There is also the option for growers to meet with their Forum representatives however it is still preferred all growers individually fill in the survey online.

Project Procedures

There are many different types of methods that can be used to consult in order to conduct a strategic review. Generally, the more methods that are used the more robust the outcome. For this review there are three data collection methods as follows:

The Case of New Zealand Kiwifruit Growers

- Interactive Leader and Member Group(Forum) Consultation (one session, two hours in length)
- Online Survey (15 minutes) and Forum led Grower Survey's (up to 1hour)
- Telephone Survey as necessary (15 minutes)

An interactive leader consultation will inform the member group (Forum) consultation through trialling the discussion guide to be used with the Forum. The member group consultation will inform the questions for the online grower survey that will go to all growers. Forum members will also identify ten growers they will contact/visit or hold a discussion group to discuss the questionnaire and the strategic review. The telephone study is to be used as a back stop to ensure there is a representative sample of responses to the survey.

The member group consultation is split into three Groups as follows:

- NZKGI Regional Representatives
- NZKGI Supply Entity Representatives
- Other Grower Groups

The member group is split this way because information between the groups could vary. If the information does vary between the groups the review will gain greater insight into the groups NZKGI represents or alternatively if all the groups are similar it will strengthen the outcome of the review.

It is intended that the Researcher will work with the Forum to develop a Strategic Plan based on the data retrieved.

Data Management

The member group consultation sessions will be transcribed and analysed. Your consent to be audio recorded will be obtained orally prior to the session starting. Due to the session being a group session, the transcriptions will only be available to those members who participated in the session and records will only be held by the Researcher and the contracted research company that will support data collection. The contracted research company will remove all personal identifiers once the data has been retrieved. The results will be available in aggregated data in presentations, reports and articles. These will not be publically released without a Resolution from NZKGI's Forum.

Participants Rights

You are under no obligation to accept this invitation. If you decide to participate, you have the right to:

- decline to answer any particular question;
- withdraw from the study (no later than the 13th November 2015);
- ask any questions about the study at any time during participation;
- provide information on the understanding that your name will not be used unless you give permission to the researcher;
- be given access to a summary of the project findings when it is concluded;
- If there is a recording being taken, and you wish not to be recorded, you are welcome to depart the session at any time.

Project Contacts

If you have any questions or queries please in the first instance contact Kate Longman or alternatively the project supervisors Professor Jacqueline Rowarth or Professor Frank Scrimgeour using the contact details below:

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Professor J.S. Rowarth
+64 7 837 9265

Dr Frank Scrimgeour
Phone: +64 7 838441

Appendix C – Questionnaire

New Zealand Kiwifruit Growers Incorporated (NZKGI)

2015 Strategic Review

NZKGI has contracted Sprout Customer Research to support the development and distribution of a survey that is going to all growers as part of a strategy review of NZKGI's role. You are receiving this email because you are a kiwifruit grower and we value your views

Dear *[first name]*

The survey is now open for you to share your thoughts on the focus and future of NZKGI over the next 5 years and is expected to take you **10 minutes**.

Please click here to start the survey.

To begin the survey you will need to enter your vendor number: **XXX**

Please fill in this survey to be sure that your view is recorded before the opportunity to respond **closes** on Monday the **23rd of November at 12 noon**.

If you have any questions regarding the survey please contact NZKGI, toll-free on 0800 232 505.

The strategy review is an outcome of the Kiwifruit Industry Strategy Project (KISP) and aims to answer the following objectives:

- To define NZKGI's role within the NZ kiwifruit industry.
- To identify the gaps between NZKGI's current function and the aspirations of the Kiwifruit Industry Strategy Project.
- To analyse NZKGI's structures, job descriptions, political relationships, industry participants and activities to leverage and expand impact and return for growers.
- To identify NZKGI's priorities.
- To identify risks and how to mitigate kiwifruit growers future risks.
- To review the current vision, mission, and values of NZKGI ascertaining whether change is required.
- To develop a strategic plan that lifts NZKGI's performance for the benefit of NZ kiwifruit growers.

Kind regards,

Neil Trebilco

NZKGI Chairman

NZKGI Strategic Review

Welcome and thank you for your help in steering the focus of NZKGI over the next 5 years!

We value your opinions

No personal information will be kept and you will not be contacted as a result of participating in this survey

Q1. Please enter your vendor number, this can be found on the email in red?

SINGLE, OPEN END

1	
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Section 1: KISP Aspirations

Q2. How far away do you think NZKGI is from achieving the following aspects of KISP?

SINGLE RESPONSE PER ROW, RANDOMISE ROWS

		1-Very far away	2	3	4	5	6	7	8	9	10- Already achieved	Don't Know
1	Increased focus on equity between growers											
2	Increased focus on supply chain performance											
3	Increased focus on independent monitoring and analysis of Zespri											

The Case of New Zealand Kiwifruit Growers

4	Increased focus on the industries marketing structure, the Single Point of Entry												
5	Improved NZKGI's communication with growers												

This survey is to help NZKGI define its priorities for the next 5 years. Please bear this in mind when answering the remaining questions. We are interested in the time period between 2016 and 2021.

Section 2: Areas of Focus

Q3. On a scale of 1-10, please rate how important the following industry areas are for NZKGI to focus on over the next five years?

SPE or Single Point of Entry is the kiwifruit industry marketing structure

SINGLE RESPONSE PER ROW, RANDOMISE

		1-Not at all important	2	3	4	5	6	7	8	9	10-Very important
1	Retain and build on local and government relationships										
2	Ensure the continued success of the kiwifruit industry marketing structure (Single Point of Entry)										
3	More detailed monitoring of Zespri										

The Case of New Zealand Kiwifruit Growers

4	More accurate monitoring of Post-harvest										
5	Monitor and influence ongoing research and development of new varieties										
6	Change grower behaviour so NZ kiwifruit can be marketed as environmentally friendly										
7	Become more proactive and be seen as a more professional body acting on behalf of growers only										
8	Providing a “release valve” for growers to vent their frustrations about industry issues										
9	Address industry conflict and bring all sectors views together										
10	Promoting kiwifruit as a career option										
11	Reacting and supporting growers through industry adverse events										

The Case of New Zealand Kiwifruit Growers

12	Integrating kiwifruit programmes into NZ secondary schools/preparing students for their transition into the workforce									
13	Monitoring and reporting on the supply chain and payment deliberations that affect grower payments and equity									
14	Wider issues such as health & safety, the Resource Management Act (incl. water), labour and employment relations									

Q.4 Please indicate where you would like NZKGI to focus over the next 5 years (assume NZKGI has unlimited resource)?

SINGLE RESPONSE

1	2	3	4	5
Focus only on industry performance such as Zespri and Supply Chain payments	Focus mainly on industry performance, and a little on wider issues	An equal focus on industry performance and wider issues	Focus mainly on wider issues, and a little on industry performance	Focus only on wider issues such as health & safety, the Resource Management Act (incl. water),labour, and employment relations

The Case of New Zealand Kiwifruit Growers

Q4. Please rate how important the following areas are for NZKGI to focus on internally, to improve the grower organisation (over the next five years)?

SINGLE RESPONSE PER ROW, RANDOMISE

		1-Not at all important	2	3	4	5	6	7	8	9	10-Very important
1	Employing a business analyst to improve the monitoring of Zespri and the supply chain										
2	Utilising the skills of growers through delegation of projects										
3	Ensuring succession planning is in place both for NZKGIs Executive Committee and for orchard ownership										
4	Ensuring the 27 forum members are representative of all relevant groups (age, ethnicity, varieties, regions)										
5	Focus on a strong interactive technology platform <ul style="list-style-type: none"> • Online Grower community • Improved content and navigation of website 										
6	Build a more engaged grower base										

The Case of New Zealand Kiwifruit Growers

7	Develop a truly engaged and energised NZKGI grower forum that drives the kiwifruit industry into the next decade										
8	Identifying growers who are interested in becoming more involved and training them for industry decision making										
9	Moving offices away from Zespri										

Q5. Are there any other projects, not already mentioned KGI needs to focus on over the next 5 years?

OPEN RESPONSE

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Section 3: Strategic Plan

Q6. Please tell us which of the following statements best describes the core role of KGI over the next 5 years?

SPE or Single Point of Entry is the structure for marketing kiwifruit

SINGLE RESPONSE, RANDOMISE

1	To understand issues, promote the best interests of the growers and maintain strong industry participants.
2	To represent growers and be the growers advocate by <ul style="list-style-type: none"> • Understanding what growers want • Representing growers interests • Maintain improve industry performance and relationships
3	To represent and enhance growers wellbeing (financial and health).

The Case of New Zealand Kiwifruit Growers

4	KGI will maintain and represent a strong grower focus in all industry matters.
5	To be a think tank representing growers throughout the growing regions. Looking, talking and discussing with Zespri all things about the Single Point of Entry.
6	To be a think tank representing growers throughout the growing regions. Looking, talking and discussing with Zespri all things related to increased grower return maximizing the performance of Single Point of Entry.
7	Industry advocacy body working in growers best interests for a long term sustainable future
8	A combination of the above or another statement altogether: Please write your statement here

Section 5: Demographics

Finally please tell us a bit about yourself so we can ensure we have a good cross section of growers.

Q7.Which of the following area/areas is your kiwifruit orchard located in?

MULTI RESPONSE

1	Northland	4%
2	Auckland	5%
3	Waikato	7%
4	Katikati and Waihi	14%
5	Tauranga	13%
6	Te Puke	39%
7	Opotiki and Whakatane	10%
8	Hawkes Bay,Taranaki, Poverty Bay and Lower North Island	5%
9	South Island	3%
10	Other: Please specify	

Q8.Is your kiwifruit orchard ...

MULTI RESPONSE

The Case of New Zealand Kiwifruit Growers

1	Owned and operated by you or your partner or family trust/ and or family company
2	Managed by someone else
3	Leased to a third party such as a pack-house
4	Owned by a third party, but managed or operated by myself and my family
5	Other: Please specify
6	None of the above

Q9. Do any of the following apply to your orchard ...

MULTI RESPONSE

1	Māori owned or operated
2	Organic or converting to organic
3	Operate a Post-harvest facility as well as the orchard. Please specify facility
4	Other: Please specify
5	None of the above

Q10. Is the orchard your ...

MULTI RESPONSE

1	Main income source
2	Secondary income source

Q11. Are you...

MULTI RESPONSE

1	Under 30
2	31-45 years
3	46-60 years
4	61-75 years
5	Over 76 years

THANK YOU FOR YOUR TIME

Appendix D – Draft of work plan

NZ Kiwifruit Growers Strategic Work Plan 2016-17

Our Values

Selflessness, Ethical, Objectivity, Professionalism

Our Mission

To advocate, protect and enhance the commercial and political interests of New Zealand kiwifruit growers

Our Vision

A strong grower advocacy organisation that leads growers and engages with industry partners

Key Strategic Objectives

1. To actively support and protect the single point of entry
2. To be the voice and credible advocate of New Zealand kiwifruit growers
3. To be accountable for increasing transparency, robust KPI's, and monitoring and reporting on Zespri and postharvest performance
4. To build an active and engaged membership base of growers across New Zealand
5. To facilitate effective communication between NZKGI and the wider industry and community
6. To act responsibly and ethically on all economic, environmental, social, and regulatory issues to the benefit of NZKGI and the wider community

Portfolios

1. Industry Stability
2. Communications
3. Performance
4. Labour & Education
5. External Relations
6. Organisational Management

1. Industry Stability

Objective: To actively support and protect the single point of entry

Target: To maintain a focus on the stability of the marketing structure and to retain and build upon government relationships.

Code	Strategic Outcome	Activity	Internal Resource Required (days)	External Resource	Comment
1.1	High profile submissions are made and joint submissions with other groups	Three per year	15		
1.2	Retain and build on government relationships	Two monthly planned visits to Wellington	7		
1.3	Conduct regular risk assessments	Develop risk matrix	7		
1.4	Formulate a Plan B	Develop Plan B	7		B priority
1.5	The Kiwifruit Industry Strategy Project ownership and governance recommendations are implemented	Zespri obtains the ability to change their Constitution, is identified as a Marketer in the Kiwifruit Regulations, and the KNZ Board retains grower representation A production cap is put on Zespri shareholding	20		

1.6	Support the creation of a Maori Forum	The Maori representative on the Forum is able to be elected from a representative group of Maori growers	6		
1.7	Retain the Levy Order	The Levy Order is retained	40		
1.8	Be accountable for running an inclusive, co-ordinated professional body that advocates for growers to be at the heart of all decisions and mediates to achieve cohesion between participants	Represent growers at IAC The Kiwifruit Claim	13		

2. Communications

Objective: To be the voice and credible advocate of New Zealand kiwifruit growers

Target: Proactive and regular communication of core business news within the kiwifruit grower community ensuring key information and decisions are made available in a way that is easily understood, accurate and timely

Code	Strategic Outcome	Activity	Internal Resource Required (days)	External Resource	Comment
2.1	More proactive and professional acting on behalf of growers (KISP governance group recommendation)	Re-brand NZKGI Branded clothing for Forum and Staff Develop KPI's for the Forum and Executive Committee members	4		
2.2	Improve communications with Growers	Annual Report Develop a communications strategy <ul style="list-style-type: none"> - Cloud Based Storage - Effective use of grower database and emails NZKGI Weekly Update Articles	54		

2.3	Build a more engaged grower base at all levels Facilitating grower reps to have grower meetings	Every region (12) to hold at least one meeting in a calendar year with their constituents	19		
2.4	Interactive technology platform	Build a new website	35		
2.5	Release valve for growers to vent their frustrations	Maintain info email and 0800 number Keep a contact record	19.5		
2.6	Reacting and supporting growers through industry adverse events	Keep the Kiwifruit Growers Relief Fund and Kiwifruit Industry Community Support Fund Incorporated Societies running for when they are required Facilitate the Hail Committee	7		

3. Performance

Objective: Increased focus on independent monitoring of: Zespri; supply chain performance; equity between growers; and ongoing research and development, whilst maintaining relationships with industry related bodies

Target: Increased independent monitoring of Zespri, supply chain performance, equity between growers and ongoing research and development, whilst maintaining relationships with industry related bodies.

Code	Strategic Outcome	Activity	Internal Resource Required (days)	External Resource	Comment
3.1	Increased Focus on independent monitoring and analysis of Zespri and implementation of the KISP Funding group recommendations	<p>Key areas of Zespri's accounts (i.e. margin) are identified and benchmarking is used to report Zespri's performance to the Forum</p> <p>NZKGI obtains Zespri Senior Executives KPI's and performance</p> <p>Building international relationships to receive independent verification of Zespri's performance</p> <p>The Share Ownership group is run to monitor share ownership and recommend improvements to increase the proportion of growers with shares.</p>	39		
3.2	Increased focus on supply chain performance	Two Forum representatives attend all ISG meetings	30		

		<p>ISG Subgroups (6)</p> <p>ISG reps meet before every ISG meeting and give a post ISG report</p> <p>ISG reports are given at the Forum</p>			
3.3	More accurate monitoring of post-harvest	<p>Develop a standardised system for OGR reporting</p> <p>Representatives on the Kiwifruit Product Group to Australia (HEA)</p> <p>Payment Predictor for growers to model any proposed payment changes</p>	42	<p>Possible outsource (30)</p> <p>Possible outsource (11)</p>	
3.4	Increased focus on equity between growers	Manage the Supply Agreement Working Group	10	Contractor additional	
3.5	Manage and maintain relationships with other industry related bodies	<p>Attend at least one Supply Entity meeting for each Supply Entity invited by Supply Entity representatives</p> <p>Meet monthly with KNZ</p> <p>Meet monthly with KVH</p> <p>HortNZ - Forums and general engagement</p>	16		

3.6	Monitor and influence ongoing research and development	NZKGI are able to clearly articulate the research portfolios and key projects within those portfolios	10		
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4. Labour & Education

Objective: To develop an active and engaged membership base of growers across New Zealand

Target: There is sufficient orchard ownership and labour to meet current and future demand at all levels

Code	Strategic Outcome	Activity	Internal Resource Required (days)	External Resource	Comment
4.1	Identify growers who are interested in becoming more involved and train them for industry decision making	Organise free governance training session for growers	1		
4.2	Ensure the Forum is representative of all relevant groups (age, ethnicity, varieties, regions)		1		
4.3	Utilising the skills of growers through delegation of projects	G14 Group COKA Organic Management Committee Chair G3 Licence Release Group Hayward Taste Group	25		
4.4	Ensuring succession planning is in place for orchard ownership	Maintain the Future Leaders Group and database looking for share or full orchard purchasing	112.5		

		<p>Run the BOPYFG Competition and support other regions, the National competition and the Horticulturalist of the year</p> <p>Develop an manual that supports new entrants into orcharding (Kiwifruit Book)</p>			
4.5	Ensure there is sufficient labour at all levels	<p>Run the BOP Labour Governance Group</p> <p>Participate in the National Labour Governance Group</p> <p>Participate in the PrimaryITO Horticulture Partnership Group and the Horticulture Capability Group</p> <p>Participate in Careers Expos and publications profiling the Horticulture industry as a career</p> <p>Lead the ME Programme</p> <p>Undertake a study investigating the skill requirements for the kiwifruit industry in the next 5 years</p> <p>Monitoring the progress of the Labour Development Manager and projects</p>	167		

5. External Relations

Objective: To facilitate effective communication between NZKGI and the wider industry and community

Target: To build on community and local government relationships whilst being the advocate for kiwifruit growers on wider issues such as health and safety and resource management

Code	Strategic Outcome	Activity	Internal Resource Required (days)	External Resource	Comment
5.1	Retain and build on local and local government relationships	Meet with Priority One every two months BOP Regional Growth Study Cluster Group participation Participate in the SmartGrowth Forum Meet with local MP's every 6months Council Relationships Training providers	15		
5.2	Wider issues such as health and safety and the Resources Management Act, labour, and employment relations	Maintain grower participation in the BOP Regional Council Water Groups Run the Agrichemical Action Group	34	Collaborate with HortNZ to reduce NZKGI input	

		Undertake District Plan submissions and mediation to ensure there is minimal impact from legislation changes			
5.3	Respond to media		7.5		

6. Organisational Management

Objective: To act responsibly and ethically on all economic, environmental, social and regulatory issues to the benefit of NZKGI and the wider community

Target: Ensure NZKGI is professional and well run, with maximum benefit for the levy investment received

Code	Strategic Outcome	Activity	Internal Resource Required (days)	External Resource	Comment
6.1	Implement a strategy for NZKGI	Strategic plan created and accepted by growers Strategic plan reviewed regularly	6		
6.2	Abide by the rules of the Society	Elections are held IAW the rules AGM is conducted IAW the rules	15		
6.3	Implement appropriate policies and holder meetings that manage the Society	There are regular reviewed policies for: <ul style="list-style-type: none"> – Health & Safety – Complaints – Conflicts – Credit Cards – Travel & Expenses Reimbursement – Overseas Travel – Financial Delegation Executive Committee Forum Meetings	98		

		Financial Management			
6.4	Ensure the Forum is remunerated appropriately	The Remuneration Review Committee meet and recommendations approved by the Forum	2		

Resource Assessment

The activities contained in this strategic work plan were identified by growers as key priorities for NZKGI during the strategic review process undertaken in 2015 (more information available on request to growers from NZKGI). The activities have been grouped under each of the organisation objectives and portfolios. The activities involve significantly increased activity from NZKGI staff and in order to understand resource requirements, an assessment of internal and external resource has been undertaken. Table 1 provides a summary of the internal staff resource requirements based on the detailed assessment of each portfolio provided above.

Table 1: Assessment of resource required to undertake NZKGI work plan

Portfolio	Staff Resource Required (days)	Proportion of total activity
Industry Stability	115	13%
Performance	147	17%
Communications	138.5	16%
Labour & Education	306.5	35%
External Relations	56.5	6%
Organisational Management	121	14%
TOTAL	884.5	

Based on a maximum of 204 productive days per year per employee, NZKGI will need 4.3 full time equivalent staff to complete this workload - NZKGI currently has 3 FTE's. NZKGI either needs to reduce the work programme or employ an additional staff member. NZKGI's Executive Committee has recommended an increase in staffing to undertake the projects identified by growers as key priorities. As a consequence, the levy rate is proposed to increase from 0.9c/TE to 1c/TE for the 2017 financial year. The proposed 2017 budget allows for the employment of one additional FTE who is likely to focus on projects in the Performance and Industry Stability portfolios. Growers will need to support both the levy rate increase and the 2017 budget in order for the 2016-17 workplan to be implemented.